



CORPORATE FACILITIES MEMORANDUM

Page: 1
File: E11

TO: MAYOR A. NUTTALL AND MEMBERS OF COUNCIL

FROM: A. MCMULLIN, MANAGER OF ENERGY MANAGEMENT, EXT. 5097

NOTED: R. PEWS, DIRECTOR OF CORPORATE FACILITIES

D. MCALPINE, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES

M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RE: EVSE STAFF REPORT FOLLOW-UP, ALL WARDS

DATE: MAY 1, 2024

The purpose of the memorandum is to respond to General Committee's inquiries related to Staff Report FAC001-24 *Electric Vehicle Supply Equipment Management* raised at the committee's Tuesday April 23 meeting.

Question / inquiry #1: Can staff provide more information about the service provider's return on investment in other municipalities that utilize third party providers.

Response: While Staff are aware of several municipalities that have utilized a similar approach to the one that has been recommended (as identified in the Staff Report), municipalities are prohibited from disclosing the third party's confidential commercial and financial business information without the third party's consent as regulated under the *Municipal Freedom of Information and Protection of Privacy Act*. As a result, Staff have not been able to obtain this information from those municipalities. Staff have also not been able to identify any instances where this confidential business information has been disclosed directly by private entities that participate in the EVSE public charging business ecosystem. Staff are aware that some service providers, such as EVSE manufacturers FLO and IVY, benefit from vertical integration within their business structure, reducing the internal cost of infrastructure, influencing their potential ROI for these types of turnkey service agreements. Other potential turnkey service partners, such as a local utility, benefit from their existing operational infrastructure to provide these services. The ROI for a turn-key provider will vary dependent upon their particular business model.

Question / inquiry #2: Can Staff provide more clarity relating to the exclusivity language planned for the RFP and contract documents.

Response: Under the proposed RFP, no right to exclusive possession of a site would be granted and the City would maintain the right to add EVSE equipment. This would allow the City to take advantage of new potential grant streams and add EVSE as required at existing or new locations within the City. For the existing EVSE locations included within the agreement, the City can choose to add charge stations, but would allow the provider first right of refusal to include the additional asset within the partnership.

Additionally, Staff would like to provide some clarifying comments:

- The turnkey provider will retain ownership of new the Electric Vehicle Charge stations for the duration of the contract, after which ownership will transfer to the City, at the City's discretion. The City will retain ownership of all other ancillary existing assets and infrastructure (ie. conduit, electrical equipment), transferring responsibility for the maintenance and upkeep of this infrastructure to the turnkey provider during the term of the agreement. The existing 'dumb' charge heads are not suitable for billing purposes and will need to be replaced by the turnkey provider.



CORPORATE FACILITIES MEMORANDUM

Page: 2
File: E11

The RFP will be drafted to seek a credit for the residual value of the existing heads, or for them to be turned over to the city, also at the city's discretion.

- The RFP will allow bidders to propose revenue sharing within their turnkey service solution but, at a minimum, will require a solution that incurs zero capital and operating costs by the City. This ensures that the City can take advantage of potential revenues available from the marketplace through a competitive bidding process.
- Demand for level two public charging is elastic, meaning that charging rates must remain competitive to attract patrons to utilize the downtown and waterfront EVSE. Market forces should ensure that charging rates do not escalate unreasonably compared to other charging locations in the City.

Should you have any questions about the activities of the branch or the contents of this memo please do not hesitate to contact me at extension 5097.