

CITY OF SANTA ROSA  
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL  
FROM: YURI KOSLEN, TRANSIT PLANNER  
TRANSPORTATION AND PUBLIC WORKS DEPARTMENT  
SUBJECT: APPROVAL OF PG&E EV FLEET PROGRAM LETTER OF  
COMMITMENT AND PROGRAM TERMS AND CONDITIONS FOR  
DEVELOPMENT OF BATTERY ELECTRIC BUS CHARGING  
INFRASTRUCTURE

AGENDA ACTION: RESOLUTION

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RECOMMENDATION

It is recommended by the Transportation and Public Works Department that the Council, by resolution, approve and authorize the Director of Transportation and Public Works to execute the Electric Vehicle Deployment Commitment for 55 Stony Point Road and the EV Fleet Program Terms & Conditions, subject to approval as to form by the City Attorney, that are necessary for the City to participate in the PG&E EV Fleet Program to facilitate construction of infrastructure to support battery-electric bus charging for the CityBus fleet.

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EXECUTIVE SUMMARY

Transportation and Public Works staff have identified the need for improvements to the electrical capacity available at the Municipal Services Center in order to charge CityBus's first four battery electric buses (BEBs). PG&E has invited CityBus to participate in its EV Fleet program for the Make-Ready Incentive Option which will cover the entire infrastructure cost "to the meter" and provide a "behind the meter" incentive of \$9,000 per bus for nine buses, and a \$25,000 EV charger rebate for five chargers, at a potential value of \$346,000. In order to receive this infrastructure development assistance from PG&E, the City must execute Electric Vehicle Deployment Commitment for 55 Stony Point Road (Letter of Commitment) and the PG&E EV Fleet Program Terms and Conditions (Contract), which require the City to purchasing nine BEBs and install an estimated five 150 Kwh chargers within the next five years and then operate and maintain this electrical infrastructure for a minimum of ten years. PG&E infrastructure will be placed on City property and the City will likely also be required to execute a subsequent easement with PG&E. If approved by Council, the Director of Transportation and Public Works will sign the Letter of Commitment and Contract with PG&E, where the documents are in a form approved by the City Attorney. This will

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enable PG&E to schedule construction of the “to the meter” make-ready infrastructure for fall of 2020.

## BACKGROUND

The City of Santa Rosa has received two competitive grant awards from the Federal Transit Administration’s 5339 Bus and Bus Facilities Program totaling \$2.9 million. These funds are expected to cover up to 85% of the cost of four battery-electric buses and up to 90% of the cost of the charging equipment for these vehicles.

In December 2018, the California Air Resources Board adopted the Innovative Clean Transit rule, which requires all public transit agencies in the state to adopt and implement a plan to transition their fleets to zero-emissions buses by 2040.

A recent review by the City of Santa Rosa’s Electrical, Fleet, and Transit Divisions found that given existing infrastructure and electrical supply, the City would currently be able to charge no more than three electric buses in the Municipal Services Center (MSC) yard at one time. Given that the electrical limitations of the MSC yard, Transit Division staff reached out to PG&E to better understand the existing electrical infrastructure.

PG&E’s EV Fleet program, which launched in spring of 2019 as approved by the California Public Utilities Commission (CPUC), supports conversion of commercial and public medium and heavy duty fleets to electricity by upgrading the grid “to the meter” (EV service connection), providing an incentive for the construction from “behind the meter” to the charger (EV supply infrastructure), as well as a rebate for the chargers (EV supply equipment) for transit agencies. PG&E plans to expend \$236 million on this program to assist 700 organizations with deployment of an estimated 6,500 new electric vehicles over five years from 2019-2023.

To better understand the PG&E EV Fleet program and the overall infrastructure upgrades necessary to support the charging of CityBus’s first four BEBs, CityBus staff coordinated with Sonoma Clean Power, the Regional Climate Protection Authority (RCPA), and Sonoma County Transportation Authority (SCTA). This coordination resulted in a Sonoma Clean Power study to assess BEB deployment in Sonoma and Mendocino counties (among Santa Rosa CityBus, Sonoma County Transit, Petaluma Transit and the Mendocino Transit Authority). This study was completed in December 2019. The study provides an assessment; identifies and makes recommendations for both short and long-term electric charging infrastructure, resiliency energy storage and generation; and estimates costs for BEB deployment for CityBus.

## PRIOR CITY COUNCIL REVIEW

On April 2, 2019, City Council approved the Transportation and Public Works Department application for the PG&E’s FleetReady program (the previous name for the

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EV Fleet Program) for electric vehicle charging infrastructure.

On April 2, 2019, a study session with Council discussed CityBus's fleet plan and anticipated electrification timeline in light of fiscal, regulatory, and infrastructure-related factors.

On October 23, 2018, zero-emissions buses were discussed during a Council study session reviewing progress implementing the City's Climate Action Plan.

On May 23, 2017 and June 15, 2018, the City Council approved the Transit Division's applications for FY 17 and FY 18 funds from the Federal Transit Administration's 5339 program for battery-electric buses and chargers.

## ANALYSIS

As the Transit Division prepares to procure its first four battery-electric buses and begins to work toward meeting the mandate of the Innovative Clean Transit Rule, the EV Fleet program will provide funding, engineering, design and construction to make the upgrades to the electrical infrastructure at the Municipal Services Center needed for the initial phase of transit fleet electrification.

Following the City's initial Council-approved application to the EV Fleet Program, PG&E conducted an evaluation of the site, identified the necessary improvements, and determined the feasibility of a project to support the City's five-year BEB electrification plan. If the City elects to participate in the EV Fleet Program, PG&E will:

1. Cover the entire cost of work "to the meter" (EV Service Connection), which includes engineering, designing, constructing, maintaining and owning the make-ready infrastructure to the new meter at 55 Stony Point Rd. This will extend the overhead conductor lines about 300 feet using three poles with anchors from an existing pole at 55 Stony Point Rd., then install a 750kVA 3-phase pad mount transformer and 1200A meter panel board. PG&E's extension of PG&E electric infrastructure "to the meter" will likely extend over City property. The Letter of Commitment and Contract with PG&E require the City to execute a form of easement from PG&E covering the infrastructure within a short time frame (30 days) in order to continue to participate in the program. The City has requested a copy of the terms of PG&E's easement form from the utility.
2. Provide incentives for the "behind the meter" (EV Supply) infrastructure to be developed by the City between the meter and the bus chargers. The City will design, construct, maintain and own this infrastructure and will be eligible for up to a \$9,000 per bus incentive from PG&E, with the City intending to purchase nine buses.

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3. Provide up to a \$25,000 rebate per vehicle charger (EV Supply Equipment) with the City planning to purchase five chargers.

To participate in the EV Fleet Program, PG&E requires the City to execute a Letter of Commitment and a Contract with PG&E. Under the terms of the Letter of Commitment and Contract, the City must purchase nine (9) BEBs and install five (5) 150 Kwh chargers within the next five years and operate and maintain this electrical infrastructure for a minimum of ten years. If the City does not purchase nine BEBs within the next five years, PG&E may require the City to repay rebates and incentives received and to reimburse PG&E's and its subcontractor costs incurred for the installation of the make-ready infrastructure, including design costs, site walks, etc. Based on the CityBus fleet replacement plans for the next five years, including the pending purchase of the first four BEBs, Transportation and Public Works Department staff believe it is reasonable to expect that an additional five BEBs will be ordered within this timeframe, in keeping with EV Fleet Program stipulations.

The Letter of Commitment and Contract that PG&E requires the City to execute in order to participate in the EV Fleet Program includes unfavorable provisions and lacks many of the standard terms, conditions and protections the City typically insists upon in the City's standard contracts to best protect the City's interests. As noted above, the City is responsible for PG&E costs and refund of incentives/rebates if the City does not purchase the required nine buses and five chargers by 2024. In addition, the Letter of Commitment and Contract require the City to provide (1) one-way indemnification to PG&E, including a broad defense obligation for PG&E; and (2) extensive site disclosures at MSC, covering hazardous materials without reasonable materiality and knowledge based qualifiers. City staff believe that the benefits associated with participating in the PG&E EV Fleet Program outweigh the legal risks.

## FISCAL IMPACT

This action has no impact on the General Fund. The City will receive an estimated \$38,000 per vehicle of benefits under this program for a total of \$346,000 in financial benefit leveraged from EV Fleet Program participation. Funding for the remaining "behind the meter" charging infrastructure and the remaining cost of vehicle chargers is anticipated to be drawn from state Transportation Development Act Article IV funding.

## ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

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BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 - EV Fleet Program Letter of Commitment
- Resolution / Exhibit A - EV Fleet Program Terms and Conditions (Contract)

CONTACT

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