

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: RACHEL EDE, DEPUTY DIRECTOR - TRANSIT
TRANSPORTATION AND PUBLIC WORKS DEPARTMENT
SUBJECT: AUTHORIZATION TO PARTICIPATE IN PG&E EV FLEET
PROGRAM FOR DEVELOPMENT OF BATTERY ELECTRIC
VEHICLE CHARGING INFRASTRUCTURE

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Transportation and Public Works Department that the Council, by resolution: 1) authorize participation in the Pacific Gas & Electric (PG&E) EV Fleet Program; and 2) authorize the Director of Transportation and Public Works to negotiate and execute an EV Fleet Program Contract with PG&E, subject to approval by the City Attorney, for the purpose of constructing the charging infrastructure to support CityBus battery-electric bus and fleet medium duty electric vehicles.

EXECUTIVE SUMMARY

The PG&E EV Fleet Program assists fleets in transitioning to electric vehicles with site design and construction support for charging stations and related incentives and rebates. The Transportation and Public Works Department seeks to partner with the EV Fleet Program to develop Phase II of its electric bus charging infrastructure, as detailed in the Council-approved Zero Emissions Bus Rollout Plan and informed by the Citywide Electric Vehicle Infrastructure Master Plan (EVIMP) that is under development. PG&E will cover the entire infrastructure cost “to the meter” at the City Municipal Services Center and provide a “behind the meter” incentive and EV charger rebate, an estimated potential value of up to \$855,000. In order to receive this infrastructure development assistance from PG&E, the City must commit to purchasing 12 battery-electric transit buses within the next five years and install chargers that are maintained for a minimum of ten years. Additionally, an option exists to include up to 13 battery-electric medium duty fleet vehicles in the project. If approved by Council, the Director of Transportation and Public Works may negotiate, sign, and execute the letter of commitment with PG&E, enabling PG&E to schedule construction of the “to the meter” make-ready infrastructure for fall of 2026.

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BACKGROUND

In December 2018, the California Air Resources Board (CARB) adopted the Innovative Clean Transit (ICT) rule, which required all public transit agencies in the state to adopt and implement a plan to transition their fleets to zero-emissions buses by 2040. To meet this mandate, Council approved the CityBus Zero Emission Bus (ZEB) Rollout Plan in June 2023. The Plan lays out the timeline for replacing the City's existing diesel and diesel-hybrid buses with battery electric buses and identifies the charging infrastructure necessary to support this transition.

On May 5, 2020, the City Council approved participation in the PG&E EV Fleet Program for construction of Phase I of the City's electric bus charging infrastructure. The program supports conversion of commercial and public medium and heavy-duty fleets to electric vehicles by upgrading the grid "to the meter" (EV service connection), providing an incentive for the construction "behind the meter" to the charger (EV supply infrastructure), and offering rebates for the chargers (EV supply equipment) for transit agencies. PG&E plans to assist 700 organizations with deployment of an estimated 6,500 new electric vehicles. The program is currently scheduled to sunset at the end of 2026.

The City's Phase I charging station was completed in late 2022 with support from the EV Fleet Program, and the City's first four electric buses began operations in early 2023. The Transit Division has received subsequent grant awards funding purchase of an additional 17 battery-electric buses and development of Phase II of the City's bus charging infrastructure.

In April 2024, Council awarded a contract for development of a Citywide Electric Vehicle Infrastructure Master Plan (EVIMP). The EVIMP will guide the City's fleet-wide transition to zero emission vehicles (ZEVs), as mandated by CARB's Advanced Clean Fleets (ACF) regulation which requires phasing in of ZEVs starting in 2024. Once completed the EVIMP will be a "roadmap" to provide an understanding of how the City intends to respond to CARB's ACF regulations, and a guide to help Santa Rosa consider future infrastructure investment decisions for accommodating ZEVs in the City's fleet. The proposed EV Fleet Program Contract can assist in the implementation of the EVIMP by providing rebates and incentives for the charging of battery electric medium-duty fleet vehicles. The EVIMP is expected to be complete in 2025.

PRIOR CITY COUNCIL REVIEW

On May 5, 2020, the City Council, by Resolution No. 2020-066 approved participation in the PG&E EV Fleet Program to develop Phase I of Battery Electric Bus Charging Infrastructure.

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On November 17, 2020, the City Council, by Resolution No. 2020-201 approved the purchase of the first four battery electric buses for the fixed route fleet.

On April 27, 2021, the City Council, by Resolution No. 2021-062 awarded the design-build contract to Cupertino Electric, Inc for the Phase I bus charging infrastructure.

On June 6, 2023, the City Council approved the CityBus Zero Emission Bus (ZEB) Rollout Plan to meet the mandate from California Air Resources Board (CARB) as detailed with the Innovative Clean Transit (ICT) regulations.

On April 16, 2024, the City Council awarded the contract for the Citywide Electric Vehicle Infrastructure Master Plan (EVIMP).

On May 7, 2024, the City Council approved the purchase of 12 battery electric buses.

ANALYSIS

Following a similar approach as the City's initial partnership with the EV Fleet Program for development of Phase I transit bus charging infrastructure, this new EV Fleet Program partnership will construct the Phase II charging infrastructure to support 12 battery electric buses. This Phase II charging infrastructure is consistent with the City's ZEB Rollout Plan as approved by City Council and ensures the City maintains compliance with CARB's Innovative Clean Transit rule. Additionally, consistent with the draft Citywide EVIMP, this project may include charging for up to 13 medium-duty ZEVs managed by Fleet Services Division in the EV Fleet application, in order to position the City to comply with the CARB's ACF regulation.

Staff are currently contracting for engineering design services for the Phase II charging infrastructure. This will design the "behind the meter" infrastructure that the City will be obligated to construct as part of the EV Fleet Program Contract.

If the City elects to participate in the EV Fleet Program, PG&E will:

1. Perform and manage the construction of infrastructure "to the meter" (EV Service Connection), which includes engineering, designing, constructing, maintaining and owning the make-ready infrastructure to the new meter at 45 Stony Point Road within the Municipal Services Center (MSC) yard. This will extend the overhead conductor lines about 50 feet using power poles with anchors from an existing pole, then install a 1500KVA pad mount transformer and associated equipment. The estimated value of the PG&E to-the-meter infrastructure is \$320,000.

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2. Provide incentives for the “behind the meter” (EV Supply) infrastructure to be constructed by the City. The City will design, construct, maintain and own the infrastructure from the meter to the chargers. The City must commit to purchasing 12 BEBs within the next five years and will be eligible for a vehicle incentive of up to \$9,000 per transit bus, for a total value of \$108,000. Any medium-duty fleet vehicles included in the EV Fleet Program Contract will be eligible for a per vehicle incentive of \$4,000. The City must also commit to purchase of any included medium-duty vehicles within five years.
3. Provide up to a \$25,000 rebate per vehicle charger (EV Supply Equipment). The City will commit to installing the number of chargers approved by PG&E to ensure the operational capability of the 12 BEBs and any medium-duty vehicles included in the project. With this agreement the City would be obligated to operate the electrical infrastructure for a minimum of ten years. In order to ensure that Santa Rosa can realize the EV Charger maximum rebate of up to \$375,000, construction needs to be completed prior to December 31, 2026.

Due to the significant amount of electrical load the City is requesting with this project, (1955kW), PG&E’s system engineers have identified the need for PG&E to plan to increase their grid capacity for the MSC Complex in the future. Until PG&E can increase the grid capacity, the EV Fleet Contract stipulates that the City will be required to limit charging associated with this project at 100kW from 10:00am – 11:00pm, and then 1955kW from 11:00pm -10:00am. In order to manage this limitation, this EV Fleet Contract stipulates that the City will purchase a third-party load management software system to ensure the grid limitations are followed. A load management software has been identified within the EVIMP as a need for internal allocation of electricity costs in order to attribute the specific vehicle kW usage charges to the appropriate City departmental charge codes. These grid limitations will apply until PG&E completes the necessary grid capacity upgrades. The City may be able to participate in a separate PG&E pilot program called Flex Connect, which performs hourly power forecasting a day in advance to determine available energy to allocate for additional kW usage during the charging limit time from 10:00am -11:00pm.

If City of Santa Rosa cannot meet the obligations within the executed EV Fleet Contract, PG&E may require the City to reimburse a proportional share of PG&E’s costs incurred for the installation of the make-ready infrastructure. Additionally, with the execution of this contract the need for an easement agreement with PG&E will be assessed, likely resulting in the extension of the existing easement agreement from the Phase I project to cover the project area.

FISCAL IMPACT

Approval of this action does not have a fiscal impact on the General Fund.

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Funding for the Phase II “behind the meter” charging infrastructure to be developed by the City will be drawn from Federal Transit Administration Section 5339 grants, the state Transit and Intercity Rail Capital Program (TIRCP), and state Transportation Development Act Article IV (TDA) funding. Funding for the 12 battery-electric buses to be purchased by the Transit Division is available from state and federal grants received by the Transit Division. The Transit Division will receive an estimated total of \$803,000 in construction benefits, incentives, and rebates leveraged from PG&E’s EV Fleet Program. Initial deployment of the load management software will be funded by the Transit Division.

Prior to executing the EV Fleet Program Contract, the Director of Transportation and Public Works will assess the number of medium-duty fleet vehicles (if any) that can be included in the contract based on ongoing General Fund budget discussions. If included in the EV Fleet Program Contract, funding for the 0-13 medium-duty electric vehicles to be purchased by the Fleet Services division will be drawn from the Equipment Replacement Fund. The Fleet Services division will receive an estimated incentive of \$4,000 per vehicle for any medium-duty vehicles included in the project.

If the City of Santa Rosa divisions cannot meet the obligation within the EV Fleet Program Contract (purchasing the agreed number of battery electric vehicles) by 2029, PG&E may require the City to reimburse a proportional share of PG&E’s costs incurred for the installation of the make-ready infrastructure from the Transit Fund or Equipment Replacement Fund as applicable.

ENVIRONMENTAL IMPACT

Pursuant to CEQA Guidelines Section 15378, the proposed action is not a “project” subject to the California Environmental Quality Act (CEQA) because it does not have a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. In the alternative, the proposed action is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the project may have a significant effect on the environment.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

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ATTACHMENTS

- Attachment 1 - Preliminary Letter of Commitment and EV Fleet Program Terms and Conditions
- Resolution

PRESENTERS

Yuri Koslen – Transit Planner
Shawn Sosa - Administrative Analyst