



## Board Report

**File #:** BC 22-141, **Version:** 1

- a. Receive a presentation on the Sustainability Program's successful grant application with FreeWire Technologies for an award of \$534,969.52 to install Level 3 Electric Vehicle Fast Chargers at the County libraries in Castroville, Greenfield, and San Lucas; and
- b. Support the request to fund this project in the amount of \$215,393.38 with funding from the Building Improvement and Replacement Sub-Fund (Fund 478-BIR, Appropriation Unit CAO047); and
- c. Authorize the Auditor-Controller to amend the Fiscal Year 2022-23 County Administrative Office Adopted Budget 001-1050-CAO004-8054 to increase appropriations in the amount of \$215,393.38 to incur expenses for this project; and
- d. Recommend staff advance this project to the Board of Supervisors for implementation.

### RECOMMENDATION:

It is recommended that the Budget Committee:

- a. Receive a presentation on the Sustainability Program's successful grant application with FreeWire Technologies for an award of \$534,969.52 to install Level 3 Electric Vehicle Fast Chargers at the County libraries in Castroville, Greenfield, and San Lucas; and
- b. Support the request to fund this project in the amount of \$215,393.38 with funding from the Building Improvement and Replacement Sub-Fund (Fund 478-BIR, Appropriation Unit CAO047); and
- c. Authorize the Auditor-Controller to amend the Fiscal Year 2022-23 County Administrative Office Adopted Budget 001-1050-CAO004-8054 to increase appropriations in the amount of \$215,393.38 to incur expenses for this project; and
- d. Recommend staff advance this project to the Board of Supervisors for implementation.

### SUMMARY:

Staff is recommending the County moves forward with a project to install 2 level 3 electric vehicle fast chargers at three County libraries (Castroville, Greenfield, and San Lucas) for a total project cost of \$215,393. Funding in the amount of \$534,969.52 has been acquired through a grant application to the California Energy Commission's Rural Electric Vehicle Charging Program. The application was done in partnership with FreeWire Technologies.

- The County may elect for FreeWire Technologies to own and operate the chargers for no cost, but must grant permission to use County land via a site-host agreement or land easement.
- The County may also choose to own the chargers for an estimated cost of \$215,393, which would allow the County greater flexibility for charging County vehicles or offering residents reduced cost charging. Additional benefits from the Inflation Reduction Act bring the estimated cost of ownership to \$95,393.38-\$125,393.38. The Capital Improvement Committee motioned to advance this project to the Budget Committee to seek input on the decision to own the electric vehicle charging stations. County ownership of the charging stations is consistent with Board of Supervisor objectives as stated during the adoption of the Electric Vehicle Purchasing Policy on 9/13/2022. This option will also mean the County will incur annual costs for maintenance and operations of the charger estimated at \$12,000, beginning in 2028 when the FreeWire Warranty expires. This cost is less than the estimated revenue from the charging stations. It is therefore possible to recoup maintenance costs from the revenue generated from the chargers.

## DISCUSSION:

The California Energy Commission (CEC) issued a notice of funding opportunity for the Rural Electric Vehicle Charging Program on December 14, 2021. Sustainability Program staff partnered with FreeWire Technologies to participate in their application as a site-host to install their “Boost Charger”, which is a level 3 fast charger, in rural jurisdictions. Staff recognized this grant as an opportunity to increase rural access to electric vehicle charging stations (EVCS) and to increase public use of County Libraries by investing in public amenities. In coordination with Monterey County Free Library staff, the Sustainability Program gathered application data to submit 3 eligible sites for the grant application: the Castroville Library, Greenfield Library, and San Lucas Library. On August 3, 2022, The County was notified that all three sites were awarded funding amounting to \$534,969.52.

The cost to the County could be zero if FreeWire Technologies owns the chargers, but if the County chooses to own them the cost is \$215,393.38. Staff recommends that the County pursue ownership of the chargers because of the ability to allow County vehicles to charge at lower costs, establish a program redirecting charging profits to support the EV transition for local residents, and to support the charging needs of the County as we comply with the EV Fleet Procurement Policy that was adopted by the Board on 9/13/2022. Furthermore, benefits from the Inflation Reduction Act could reduce the real cost of the project to \$95,393.38-\$125,393.38. If the recommendation is approved, the County will need to fund \$215,393 to cover installation and capital costs of equipment. Due to the 5 year warranty negotiated by staff, there are no operations or maintenance costs for the first 5 years of ownership. After year 5, annual maintenance costs are estimated to be \$12,000 while annual revenue is projected to be over \$120,000. This information is summarized in the Example ROI model on page 9 of the FreeWire Monterey County Ownership Proposal attachment.

These Boost Chargers are Level 3 fast chargers and are capable of charging most EVs to 80% battery in 40 minutes, which allows for library patrons to conveniently charge their EVs while visiting the library. These chargers may be owned and operated by FreeWire Technologies and a portion of the revenue will be used to offset the electricity cost to the County. Therefore, this “FreeWire Owned” model will come at no cost to the County. To install the chargers, the County will need to grant FreeWire permission to use County land for the EVCS through a site-host agreement or land easement. FreeWire’s Draft Site-Host Agreement is attached to this report. This draft agreement is being provided for information only; County Counsel and Facilities staff would still need to review and negotiate the final language for a site agreement. FreeWire will then convert parking spaces at each of the libraries into ADA accessible EVCS parking spots. Proposed locations of each EVCS are included in the FreeWire Monterey County Ownership Proposal attached to this report. The Capital Improvement Committee motioned to advance this project to the Budget Committee to seek input on the decision to own the electric vehicle charging stations. County ownership of the charging stations is consistent with Board of Supervisor objectives as stated during the adoption of the Electric Vehicle Purchasing Policy on 9/13/2022.

Maintenance, materials, and labor costs for the chargers are covered by the negotiated 5-year warranty. After year 5, FreeWire Technologies estimates that maintenance to be about \$12,000/year. This cost is far less than the projected revenue for the chargers each year. This information is summarized in the Example ROI model on page 9 of the FreeWire Monterey County Ownership Proposal attachment. This maintenance cost reflects the high range of estimation to provide a conservative model for return on investment. The County can expect the chargers to malfunction at least once each year. However, most malfunctions can be solved by resetting the charger, which can easily be performed by County staff.

If the County elects for FreeWire Technologies to own the chargers, they will be the party responsible for all associated operations and maintenance costs. If the County chooses to own the chargers, Sustainability Program staff will work with the Treasure-Tax Collector's Office to enable the collection of payments from the chargers.

**OTHER AGENCY INVOLVEMENT:**

County Administrative Office and Monterey County Free Libraries. Public Works Parks and Facilities, staff expressed interest in this as an opportunity for training on EVCS maintenance. This grant application was prepared by FreeWire Technologies.

**FINANCING:**

Given current budget constraints, staff previously identified the alternative where FreeWire owns and operates the chargers at no cost to the County as the most viable option. The County may choose to own these chargers for an estimated total cost of \$215,393.38; this estimate includes equipment, maintenance, installation, and a 5-year warranty for the chargers. If the County pursues ownership, the chargers are estimated to have a simple payback period of 5 years, and the County will have increased autonomy to decide the price to charge for residents and County vehicles. This information is summarized in the Example ROI model on page 9 of the FreeWire Monterey County Ownership Proposal attachment.

The Building Improvement and Replacement Sub-Fund has an available balance of \$8,211,731. The cost of the project would reduce the available balance of the Sub-Fund to \$7,996,338. Through the annual cost allocation plan (COWCAP), Monterey County Free Libraries pays into the building depreciation allocation that funds the Building Improvement and Replacement Sub-Fund.

The recent Inflation Reduction Act allows the County to benefit from "Direct Pay" rules of the Investment Tax Credit and the Production Tax Credit. While FreeWire Technologies is working to quantify this benefit for County ownership, they currently estimate that the County will receive between \$30,000-\$40,000 per Boost charger, or \$90,000-\$120,000. Practically, this reduces the estimated total cost for owning the chargers to \$95,393.38-\$125,393.38.

**BOARD OF SUPERVISORS STRATEGIC INITIATIVES:**

- ☒ Economic Development
- ☒ Administration
- ☒ Health & Human Services
- ☒ Infrastructure
- Public Safety

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**Attachments:**

FreeWire Draft Site-Host Agreement

FreeWire Monterey County Ownership Proposal