



Legislation Text

File #: K-1819-109, **Version:** 1

CONTRACT K-1819-109: A CONTRACT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND FRANCIS SOLAR, LLC,, AN ELECTRIC VEHICLES (EV) SYSTEMS PROVIDER, TO SUBMIT A GRANT TO THE OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY TO BE USED TO BUILD ELECTRIC CHARGING STATIONS AT FOUR LOCATIONS IN THE CITY OF NORMAN.

BACKGROUND: The State of Oklahoma has been allocated approximately \$21 million from the Volkswagen Environmental Mitigation Trust Agreement to reduce nitrogen oxide emissions. The Oklahoma Department of Environmental Quality (DEQ) has been designated as the lead agency to administer this allocation, with oversight from the Oklahoma Secretary of Energy and Environment. DEQ has prepared and implemented the Beneficiary Mitigation Plan (BMP) with the State's intention for utilizing these funds. On November 29, 2018, DEQ released a Request for Proposal (RFP) for \$3.1 million to build out Oklahoma's light-duty electric vehicle charging network with 80% eligible for reimbursement when the project is completed. These grant funds are further divided into two (2) categories with 75% of funds allocated towards Transportation Corridor projects (\$2.325mil) and 25% of funds towards Single Point Location projects (\$775k).

On January 15, 2019, City Council approved Resolution R-1819-70 for services with the City's original Compressed Natural Gas (CNG) station design and engineering firm, Small Arrow Engineering, LLC, of Joplin, MO (SAE). For this project, SAE has teamed with an Oklahoma based electric vehicles (EV) systems provider to assure that charging stations installed in the City of Norman are consistent with other stations in the state and use compatible Charging Station Networking Software. SAE will also assure that the EV station equipment will meet the 5-year warranty performance period as per the ODEQ Grant requirements (please find attached a background letter from David Jankowsky, President of Francis Solar, which gives further details of the company's Oklahoma history).

DISCUSSION: SAE and City staff have reviewed the "Charge OK" RFP designed to build electric charging stations throughout the Oklahoma federal highway corridors with traffic counts higher than 7,500 vehicles per day. All eligible projects/charging stations are required to be within walking distance to retail shopping, access to public restrooms and no further than one (1) mile from a federal highway, along with a host of technical details required to build the charging station. This competitive grant will be scored in several areas including the amount of additional match funds, background and experience with charging stations, corridor locations, 24/7 public access, host agreements with 3rd party business, to list a few. Deadline for the grant submittal is March 1, 2019. Zero emissions vehicles and particularly electric vehicles appear to have increased availability for the future; however, EV charging stations and infrastructures in Oklahoma are very limited.

Attached is an Exhibit that SAE has developed showing all the current Level 2 EV charging stations in Norman. The Level 2 chargers are alternating current-based units that operate around 7-9 kilowatts (kW) of output, which provide a slow recharge of vehicle battery systems. Also depicted is a Level 3 EV charging station (installed by Electrify America) that is located at the Moore, OK Walmart Super Center (19th Street and I-35). The Level 3 chargers are direct-current-based units that operate at 50kW, 150kW or 350kW of output, which provide the fast recharge of vehicle battery systems. The present Level 2 charging stations in Norman are AC based charging stations and provide a "trickle" fill for EV vehicles on an overnight or all-day basis. These stations offer some public access, but do not provide any measure of fast charge capability. The Level 3 EV station in Moore is a 350kW DC based station that provides public access, and a radio-frequency identification (RFID)/card reader access system, and provides fast charging for any and all EV vehicles.

SAE has identified four potential sites to locate Level 3 EV charging stations in Norman. The Priority #1 site is at the Mathis Sleep Center in the University North Park Commercial District near I-35 and Robinson Street. This station will be a 150kW capacity station and have space for two vehicle charging positions that is expandable to 4 positions in the future. The Priority #2 site is at the Longhorn Steakhouse in the out lot of Sooner Mall near I-35 and Main Street. This station will be a 50kW capacity station and have space for two vehicle charging positions in one section of the parking lot, and expandable with two more positions in another section of the parking lot in the future. The Priority #3 site is at the Rudy's

BBQ and Country store along Hwy 9 at Chautauqua Avenue. This station will also be a 50kW capacity station and have space for two vehicle charging positions that can be expanded to 4 total positions in the future. The Priority #4 site is at the OnCue Express #111 store at Flood Street (Hwy 77) and Tecumseh Road. This site is slated for a 150kW capacity station and will have space for two vehicle charging positions. All four proposed EV sites are on roadway corridors with traffic exceeding 7,500 vehicles per day.

In addition to the overall EV system map Exhibit, attached are detailed maps for each of the four proposed EV charger sites showing access paths from I-35, Hwy 77 and Hwy 9. These maps also show the neighboring businesses that patrons of the EV stations can access while their vehicle is being recharged. Furthermore, we have attached site layout detail maps to show exactly how each EV station and its equipment will be situated on the host business properties. Typically, the design will utilize 2 existing parking spaces at each host business to designate them for EV charging purposes, and have space allocated for future expansion as needed.

Please also find attached the Draft Site Host Agreement Letters for each business hosting the EV chargers. If the grant application is approved by Council, these letters will be placed on each respective business letterhead and signed by the responsible authority to provide right of access for the City to have their vendor install and operate the EV stations for a minimum 5-year term (to meet the grant requirements). As each letter explains, the host business will not be responsible for any of the installation costs or electric meter charges from Oklahoma Gas & Electric (OG&E) for operation of the equipment. In exchange for this access, the business will be able to market to their customers that this service and amenity is available at their premises.

After review of station options and the application process, SAE has determined that the City will have the best opportunity to receive maximum grant funding by allowing the Oklahoma based EV provider (Francis Solar) to include the Norman sites in an omnibus grant application package that is being submitted for over 50 sites Statewide. The multisite package that Francis Solar is completing includes other municipal EV charging station locations in Muskogee, Durant and Stillwater to name a few. Even though Norman is located along a major Transportation Corridor (I-35) staff has been informed by ODEQ office that they will score applications in our area based upon Single Point Location definitions only. This is due to the presence of the Electrify America 350kW EV station at the Walmart Super Center in Moore, OK. Another EV station of similar size is being installed in Ardmore OK (at another Walmart Super Center) and so the I-35 corridor between OKC and the Texas border is considered by ODEQ and the Department of Transportation (ODOT) to already have "coverage". This means that Norman is competing for the remaining 25 percent share of the total grant funds for infrastructure due to our proximity to the Electrify America charging network. This will make submission of a "standalone" package more difficult to secure funding approvals, with the increased competition.

If the City were to submit a standalone grant application, the City would be required to provide a minimum of 20 percent match to the total project cost. It is estimated that the Priority #1 thru Priority #3 EV sites will have a total installation cost of \$525,000, requiring a \$105,000 match with a \$420,000 grant award. In order to include the Priority #4 site in this package, the total project budget would then be approximately \$850,000, with a \$170,000 City match and \$680,000 grant award. With the total remaining statewide grant funds for Single Point EV locations being only \$775,000, it is highly unlikely that the City would receive grant funding for more than one location (Priority #1 site is estimated at \$325,000 which would be a \$65,000 City match and \$260,000 grant award). Only being able to install one Level 3 EV charging station for all of Norman would not be ideal and would not provide a level of redundancy for future City fleet and public use.

By adopting and accepting the attached proposal from Francis Solar, the City greatly increases its ability to secure multiple EV charging station locations with the grant package. Francis Solar has recently secured the statewide contract to supply Level 2 charger systems to state, county, municipal and public utility authorities. The City would partner with Francis Solar by securing Site Host Agreements (Letters of Intent) and agrees to support Francis Solar with payment of a Marketing License that will allow Francis Solar and the City to jointly provide public information in the EV dispenser displays and help to promote the education of and increase in the use and adoption of light duty zero emissions vehicles (ZEV's). By having multiple EV charging stations installed as part of this program, the City can then make a long-term commitment to replace traditional light duty fleet vehicles with dedicated electric vehicles. In addition, as part of this partnership, Francis Solar has agreed to provide a discount to the City for the cost of their electricity to recharge City fleet vehicles.

The key to this arrangement working financially for both parties is that Francis Solar will have the ability to utilize the 75% State Income Tax Credit on EV equipment installations and can provide a larger match to ODEQ (possibly up to 80%)

when submitting the grant package. This State Income Tax Credit program is in effect through 2019 and is the same program that has been utilized for construction and installation of Public Access CNG stations. By agreeing to accept the Francis Solar proposal, the City will have a total exposure of \$40,000 if all 4 desired EV charging sites receive State Grant funding and are installed. If the four sites do not receive approval for Single Point EV station grant funds, Francis Solar is willing to amend the current agreement and make the infrastructure investment on behalf of the City for a \$60,000 total marketing license fee. This sum is nearly identical to what the City would have been providing as 20% match funds for only the construction of the Priority #1 site at Mathis Sleep Center.

Once the grant awards are made by ODEQ, Francis Solar will commence work on the EV station installations that receive funding, along with the ones that do not receive funding, to place them all into operation by Dec 31, 2019. If approved, the total cost of this proposal to the City of Norman will be \$10,000 per EV station site funded by ODEQ, for a not to exceed sum of \$40,000, depending on the outcome of the State Grant awards.

RECOMMENDATION: It is recommended that the City Council approve Contract K-1819-109 with Francis Solar of Tulsa, OK to the Oklahoma Department of Environmental Quality for Electric Vehicle Charging Stations. By authorizing the contract, the City Council is agreeing to:

- Coordinate host site agreements in Norman.
- Enter into a Marketing Agreement with Francis Solar if the grant is awarded.
- Pay \$40,000 To Francis Solar over five years for marketing services if the grant is awarded.
- Receive discounted EV charging rates for City vehicles.
- Promote EV technology in Norman and Statewide.