



## COUNCIL REPORT

To: Paul Gipps, CAO

Date: December 8, 2020

From: Erin Goodwin, Facilities and Recreation Manager

Subject: **BC Hydro Fast Charging Station – Agreement Options**

---

### RECOMMENDATION

**THAT** Council consider and resolve to direct staff to execute Amendment Agreement Number 1 between BC Hydro and the City of West Kelowna (CWK) to operate a Direct Current Fast Charging (DCFC) station at 3678 Brown Road.

### BACKGROUND

On November 10, 2020, Council directed staff to defer the proposed BC Hydro License to Occupy Agreement for 3678 Brown Road. Council requested that additional language related to the termination clause be negotiated with BC Hydro and brought back for Council's consideration. Council also requested that staff investigate the length of term for the contract and inquire whether a 10-year term for the proposed contract could be reduced.

After further discussion with BC Hydro, the CWK was informed that a 10 year agreement would be required for the project to be viable for BC Hydro and their partners.

BC Hydro did provide suggestions to the termination clause; however, any early termination would result in the fast charging station having to be relocated to another BC Hydro approved site where the agreement is proposing that all costs to relocate and install the fast charging station would be the responsibility of the CWK. Costs to relocate a fast charging station could range between \$50,000 - \$150,000 per charging station.

It was also communicated to the CWK that all BC Hydro fast charging stations are governed by the Greenhouse Gas Reduction Regulation of BC. To be in compliance of the regulation, BC Hydro now needs to have full control of all operations of these fast charging stations. Full control includes the authority to set the retail price for the charging station, collect revenues from patrons of the station and have the utility bill in their name. If a station is not in compliance by the end of 2020, the station would need to be shutdown.

As a result, to continue operating a BC Hydro electric vehicle fast charging station at 3678 Brown Road, the CWK would need to finalize an agreement with BC Hydro by the end of 2020.

BC Hydro has provided two options for Council's consideration:

### **Option 1**

#### **10 Year License of Occupation Agreement – (Updated November 26, 2020)**

This option would consist of the CWK entering into an updated License to Occupy Agreement that would consist of the following:

- 10 year agreement
- Two electric vehicle charging stations
- All operational, electrical, and capital costs would be the responsibility of BC Hydro.
- Early termination clause would result in having to relocate charging stations to a new site.
- All relocation costs would be the responsibility of the CWK (\$50K - \$150K)

Not recommended by staff

### **Option 2**

#### **Amendment Agreement No 1**

This option would consist of the CWK amending the existing agreement with BC Hydro that would result in BC Hydro having full control of the fast charging station, as described above, so that BC Hydro complies with Green House Gas Reduction Regulations that govern these charging stations. Some other contract highlights include the following:

- Month to month term, until future agreement between BC Hydro and CWK can be executed.
- One electric vehicle charging station on this site.
- All operational, electrical, and capital costs would be the responsibility of BC Hydro.

*Recommended by staff*

### **Alternative Option (3)**

#### **Terminate Current Contract on December 31, 2020**

If the CWK and BC Hydro cannot come to an agreement by the end of 2020, the CWK and BC Hydro would not be compliant with the Green House Reduction Regulations, would need to terminate the existing agreement, and the station would need to be shutdown.

Not recommended by staff

## RECOMMENDATION

**THAT** Council direct staff to execute Amendment Agreement Number 1 between BC Hydro and the City of West Kelowna (CWK) to operate a Direct Current Fast Charging (DCFC) station at 3678 Brown Road.

This option would allow an electric vehicle fast charging station to continue to operate at 3678 Brown Road, while in compliance with the Green House Reduction Regulations of BC, until a future agreement with BC Hydro and CWK can be resolved.

## FINANCIAL IMPLICATIONS

If BC Hydro takes over all operational and capital costs as described in this report, the CWK would see the following estimated annual savings:

Estimated Annual Savings:	\$5,000 per year
	<i>Minor Maintenance</i>
	<i>Station Monitoring Annual Fees</i>
	<i>Electrical Costs</i>

## COUNCIL REPORT / RESOLUTION HISTORY

Date	Report Topic / Resolution	Resolution No.
November 10, 2020	THAT Council defer consideration of the License of Occupation in order to address the concerns brought forward by Council. CARRIED UNANIMOUSLY	C289/20

## REVIEWED BY

Warren Everton, Director of Finance/CFO

Shelley Schnitzler, Legislative Services Manager/Corporate Officer

## APPROVED FOR THE AGENDA BY

Paul Gipps, CAO

PowerPoint: Yes ☒ No ☐

### Attachments:

- Option 1 – BC Hydro License of Occupation Agreement
- Option 2 – Amendment Agreement Number 1
- Option 2 – 2015 Signed DCFC Lease Agreement