



Kate Harrison  
Councilmember District 4

CONSENT CALENDAR  
February 8, 2022

To: Honorable Mayor and Members of the City Council  
From: Vice Mayor Harrison, Mayor Arreguín, Councilmembers Bartlett and Wengraf  
Subject: Budget Referral and Resolution Establishing City Process for Siting and Developing Public Electric Vehicle DC Fast-charging Hubs

RECOMMENDATION

1. Adopt a Resolution in support of a non-binding term sheet between the City of Berkeley and East Bay Community Energy (EBCE) to establish a network of publicly available electric vehicle (EV) fast-charging hubs in municipally-owned parking lots and garages in areas with a dense concentration of multifamily housing.
2. Refer to the June, 2022 FY 23-24 budget process \$600,000 in General Fund revenues to fund Berkeley's annual maximum Service Fee of \$100,000/year per fast-charging hub for three hubs. Once revenues from charging exceed the annual service fee, a portion of revenues will be remitted to the City. Over the 10-year agreement, the City will realize a net gain. Under either a low and high hub utilization scenario, EBCE estimates the City will likely see net profits from Site License Agreement revenue over the ten years estimated at between \$50,000 and \$851,000. In addition, EBCE estimates that the City is already on track to realize an additional \$400,000-\$600,000 in Utility User Tax proceeds annually over next 2-3 years under the Renewable 100 portfolio, and that number could grow to up to \$1.3 million per year by 2025 assuming EV adoption goals are met.

PROPOSED POLICY COMMITTEE

Facilities, Infrastructure, Transportation, Environment & Sustainability Policy Committee.

CURRENT SITUATION, EFFECTS, AND RATIONALE FOR RECOMMENDATION

The world is facing a grave climate emergency, requiring municipalities to transition to a zero-carbon economy by 2030. According to Berkeley's 2019 greenhouse gas emissions (GHGs) inventory, 60% of Berkeley's sector-based<sup>1</sup> emissions result from

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<sup>1</sup> Emissions created in the City, as opposed to consumption-based emissions, i.e., those created by the goods Berkeleyans consume.

transportation.<sup>2</sup> In addition to public transportation, walking, biking and scooters, replacing internal combustion engine cars with EVs will be a major factor in reducing emissions. EVs are significantly less carbon intensive to operate and save drivers money through reduced fuel, operations and maintenance costs.

EVs also represent an increasing share of registered vehicles as a result of market forces and state regulations. The latest models of battery electric vehicles (BEV) feature extended range that rivals internal combustion engine cars at competitive pricing, especially when factoring federal and state incentives, and volatile gasoline cost savings. Most major automobile manufacturers in the United States plan to offer full lines of battery electric vehicles (BEVs) at a similar price to internal combustion engine cars, without subsidies, by 2030. Finally, per Governor Newsom's Zero-Emission by 2035 Executive Order (N-79-20) the California Air Resources Board is expected to develop regulations that mandate that all in-state sales of new passenger cars and trucks be zero-emission by 2035.<sup>3</sup>

According to U.S. Department of Energy data from 2020, 42% of all EVs in the United States are registered in California.<sup>4</sup> BEV sales in Alameda County have increased nearly 430% since 2015, and for the first three quarters of 2020 Alameda County saw 8,624 BEV sales.<sup>5</sup> By the end of 2020 there were 46,239 BEV and plug-in hybrid vehicles (PHEV) countywide, or approximately 4% of all existing vehicles. Of the over 60,000 vehicles registered in Berkeley,<sup>6</sup> approximately 3,650 are EVs (both BEVs and PHEVs).<sup>7</sup> Berkeley's Climate Action Plan sets a goal of 15,229 BEVs by 2025; achieving this will require a significant increase in publicly available fast-charging stations to ensure all residents, especially renters without access to at-home charging, have convenient refueling options.

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<sup>2</sup> Berkeley's 2019 Community-Wide Greenhouse Gas Emissions Inventory, OESD, November 2021, [https://www.cityofberkeley.info/uploadedFiles/Clerk/Level\\_3\\_-\\_City\\_Council/2021-11-30%20Item%2032%20Berkeley%E2%80%99s%202019%20Community-Wide%20Greenhouse%20Gas%20Emissions%20Inventory.pdf](https://www.cityofberkeley.info/uploadedFiles/Clerk/Level_3_-_City_Council/2021-11-30%20Item%2032%20Berkeley%E2%80%99s%202019%20Community-Wide%20Greenhouse%20Gas%20Emissions%20Inventory.pdf).

<sup>3</sup> Governor Newsom's Zero-Emission by 2035 Executive Order (N-79-20), January 2021, <https://www2.arb.ca.gov/resources/fact-sheets/governor-newsoms-zero-emission-2035-executive-order-n-79-20>.

<sup>4</sup> Electric Vehicles by State, U.S. Department of Energy, June 2021, <https://afdc.energy.gov/data/10962>

<sup>5</sup> <https://www.energy.ca.gov/data-reports/energy-insights/zero-emission-vehicle-and-charger-statistics>

<sup>6</sup> Based on DMV data.

<sup>7</sup> As part of its Electric Mobility Roadmap report, OESD estimated that 3.7% of registered vehicles in Berkeley were EVs as of late 2018, Berkeley Electric Mobility Roadmap, July 2020, [https://www.cityofberkeley.info/uploadedFiles/Planning\\_and\\_Development/Level\\_3\\_-\\_Energy\\_and\\_Sustainable\\_Development/City%20of%20Berkeley%20Electric%20Mobility%20Roadmap\\_2020.pdf](https://www.cityofberkeley.info/uploadedFiles/Planning_and_Development/Level_3_-_Energy_and_Sustainable_Development/City%20of%20Berkeley%20Electric%20Mobility%20Roadmap_2020.pdf)

However, access to charging infrastructure is the primary barrier to broadscale EV adoption. Installing Level 1 or Level 2<sup>8</sup> charging infrastructure in multifamily housing properties is a significant equity issue. Due to their age,<sup>9</sup> many multifamily buildings require an expensive electric panel upgrade. Renters in single family homes may face the same challenge. Single family homes in Berkeley that are owner occupied but without garages also face hurdles because installing curbside charging is extremely expensive and challenging on many levels. Charging infrastructure in Berkeley is also necessary to meet the needs of visitors and commuters doing business in the city and traveling through our community. Therefore, if we are to achieve the state's goals of 1.5 million zero-emission vehicles on the road by 2025 (and 5 million by 2030), and Berkeley's CAP goals, deployment of public fast-charging infrastructure near term is critical.

In Berkeley today there are just two public direct current fast-charging (DCFC) locations at each of Berkeley's Whole Foods Market locations).<sup>10</sup> These do not have adequate capacity to serve increasing demand for public fast-charging.

The City of Berkeley and its public power provider, EBCE, are well positioned to fill this gap by partnering to provide cost effective, conveniently located, accountable, and equitable fast-charging hubs.

EBCE and the City of Berkeley have developed the proposed non-binding term sheet under which EBCE will develop, operate, maintain and market up to three fast-charging hubs in exchange for a Site License with the city to provide EBCE with access and use of public land for the fast-charging hubs.

## BACKGROUND

In 2016, Alameda County and eleven of its cities, including Berkeley, entered into a Joint Powers Agreement to form an independent public agency known as the East Bay Community Energy Authority (Authority).<sup>11</sup> The Authority launched a Community Choice Energy program, East Bay Community Energy. The purpose of EBCE is to secure electrical energy supply for residents and businesses and manage energy related

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<sup>8</sup> AC Level 2 EV charging offers charging through 240V or 208V electrical service (like a dryer plug) at 12-80 amps (typically 32 amps). For every hour, Level 2 EV charging can provide about 10-20 miles of range. (See Berkeley Electric Mobility Roadmap, p. 10).

<sup>9</sup> Data from EBCE indicates that 90% of the multi-unit buildings in its service territory are more than 50 years old.

<sup>10</sup> Electric Vehicle Charging Station Locations, U.S. Department of Energy, [https://afdc.energy.gov/fuels/electricity\\_locations.html#/analyze?fuel=ELEC&location\\_mode=address&location=2180%20milvia%20st.&radius=2&ev\\_levels=1&ev\\_levels=2&ev\\_levels=legacy](https://afdc.energy.gov/fuels/electricity_locations.html#/analyze?fuel=ELEC&location_mode=address&location=2180%20milvia%20st.&radius=2&ev_levels=1&ev_levels=2&ev_levels=legacy)

<sup>11</sup> EBCE JPA Agreement, Effective December 1, 2016 as amended by Resolution No. 2018-23 dated June 20, 2018, [https://res.cloudinary.com/diactiwk7/image/upload/fl\\_sanitiz,q\\_auto/east-bay-community-energy-authority-jpa-agreement-12-14-19-with-newark-pleasanton-tracy-1.pdf](https://res.cloudinary.com/diactiwk7/image/upload/fl_sanitiz,q_auto/east-bay-community-energy-authority-jpa-agreement-12-14-19-with-newark-pleasanton-tracy-1.pdf).

climate change programs like transportation electrification. As the nonprofit, default Load Serving Entity in Berkeley, EBCE delivers electricity with higher renewable energy content at a reduced cost to residents and businesses through PG&E's transmission and distribution system.<sup>12</sup> In 2019, EBCE's service area expanded into San Joaquin County with the City of Tracy. Today EBCE meets the electricity needs of 60,735 commercial accounts and over 565,000 residential accounts representing 1.6 million people throughout its service area. EBCE is governed by a Board of Directors, with appointed municipal leaders from each of the Authority's member communities. As a public agency with no shareholders, EBCE reinvests revenue from the sale of electricity back into the community to help its member cities achieve their climate action and economic development goals more quickly.

As Berkeley's appointee to the EBCE Board of Directors, Vice Mayor Harrison's office and the City's Office of Energy and Sustainable Development have engaged in multiyear conversations with EBCE staff to explore options for providing Berkeley residents with affordable, equitable EV charging infrastructure. This work occurred alongside ongoing efforts by EBCE to help the City electrify its municipal fleet and building stock, and the recently adopted Council policy to upgrade citywide accounts to 100% renewable electricity.

In the summer of 2021, EBCE presented Vice Mayor Harrison with a potential partnership proposal to site EV fast-charging hubs at to be determined city-owned parking lots and garages. EBCE has provided a non-binding term sheet<sup>13</sup> outlining the respective proposed responsibilities of both parties. Adopting the term sheet will facilitate a subsequent binding Service Agreement.

EBCE intends to work with the City to site the fast-charging hubs in areas with a dense concentration of multifamily housing to ensure renters, who represent nearly 50% of the population in EBCE's service territory, have equitable access to the benefits of EVs near term. To date, these areas are significantly underserved by charging infrastructure, representing a critical barrier in achieving the State of California's EV adoption goals. Each EBCE fast-charging hub will consist of 10-15 dual-port DCFC stations (up to 30 ports total).

EBCE intends to scale this approach with each of its Authority member communities Berkeley would likely be the first to move forward with this non-binding term sheet.

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<sup>12</sup> Assembly Bill 117 (Stat. 2002, ch. 838, codified at Public Utilities Code Section 366.2)

<sup>13</sup> Non-comprehensive and subject to change pursuant to ongoing conversations between the City and EBCE.

### **Overview of Non-binding Term Sheet**

Building EV fast-charging hubs across EBCE's service territory will require significant project capital. EBCE seeks to raise this capital using a *public-public partnership* with member communities signing a Service Agreement with EBCE. The Service Agreement and associated fees (described below) will allow EBCE to raise low-cost capital and provide dividends to EBCE's Authority member communities through a profit-sharing agreement. Under the draft proposal, EBCE would develop, interconnect, own, operate and maintain the fast-charging hubs. EBCE would also finance the project(s) with their own capital, private equity and debt. EBCE will book, claim and sell Low Carbon Fuel Standard (LCFS) credits (provided through the California Air Resources Board's LCFS program) to help fund project operations.

In addition, EBCE will be responsible for procuring wholesale renewable electricity (e.g., Renewable 100) for each fast-charging hub and associated rate structures to encourage maximum utilization. EBCE will also market the fast-charging hubs, and will partner with the City and private sector stakeholders to increase EV adoption and fast-charging hub utilization.

The City of Berkeley would be responsible for an annual Service Agreement Fee of \$100,000 per EV fast-charging Hub. The contracted revenues from Service Agreement Fees will allow EBCE to raise low-cost capital to develop the fast-charging hub. Scaling this model to other member agencies will facilitate the development of a network of hubs across Alameda County.

Concurrent to the Service Agreement, EBCE and the City will execute Site License Agreements to provide access to EBCE to up to three City parking lots and/or garages to site and operate EV fast-charging hubs. The Site License will include a Site License Fee which will be paid to the City once the Net Operating Income<sup>14</sup> from the project exceeds EBCE's annual debt service of \$500,000. As EBCE fast-charging hub utilization increases over time the Site License Fees are expected to meet and then exceed the Service Agreement fees resulting in net annual revenue to the City. The City of Berkeley will receive 40% of net proceeds from the projects. The City will also receive additional Utility Users Tax revenue and any sales tax associated with related economic activity.

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<sup>14</sup> Net Operating Income as the sum total of electricity sales and LCFS revenue minus operating costs such as electricity procurement, operations and maintenance

Under the Low Utilization Case<sup>15</sup>, the City is expected to receive a net investment profit of approximately \$51,000. Under a high utilization scenario,<sup>16</sup> net profit is estimated at \$851,000. EBCE plans to provide the City with more detailed financing estimates. See Appendix p. 1 for details for Site License Revenue formula.

EBCE will utilize project revenue, Service Fees and EBCE capital to:

- 1) fund project operations and service debt
- 2) fund a Reserve balance equal to one year of Project Debt Service, and 3) pay dividends to EBCE (60%) and City of Berkeley (40%)

The City’s total revenue is represented by the following formula:

$$\text{Berkeley Total Revenue} = \text{Site License Revenue} + \text{Marginal UUT Revenue}$$

EBCE proposes that each fast-charging hub will have a minimum of 10 dual port charging stations and each fast-charging station will require two parking spaces. Each allocated parking space must be EV Only for the purpose of charging, and each EV fast charge hub will require compliance with the Americans with Disability Act (ADA). The City would provide free access to lots and/or garages to EV drivers for a minimum of one hour to enable use of the fast-charging stations. While the City could experience some loss of parking revenues for those individual spaces, it is expected, based on the experience of other parking structures with fast charging capacity, that more overall traffic will be driven to the parking lots for a net gain in parking revenue.

The City would work with EBCE to expedite permitting of the EV fast-charging hub(s). It would also commit to increase awareness of EV fast-charging hub availability to residents, businesses and visitors. EBCE has access to data about current EV owners and will provide targeted marketing to them as well as extensive marketing to the general public to encourage EV ownership.

EBCE has mapped multi-family housing against City-owned third-party parking lots, multi-unit dwellings, and concentration of TNC passenger pick-up and drop-off (see Appendix, p. 2). Each site will be assessed by EBCE in collaboration with City staff for technical feasibility, public service attributes (e.g., multi-family housing and retail proximity) and installation costs. EBCE’s technical assessment of proposed sites, should any of the City of Berkley’s lots and/or garages be determined infeasible for project deployment, the City would assist EBCE with connecting with other public

<sup>15</sup> This scenario assumes an initial utilization of EV charging spaces of 1.5%, with a 1.5% growth in utilization of each space each year.

<sup>16</sup> This scenario assumes an initial utilization of EV charging spaces of 5%, with a 1.5% growth in utilization of each space each year.

agency and/or private sector stakeholders who own strategic real estate assets suitable for EV fast-charging hub development.

**Overview of Process for Supporting Non-Binding Term Sheet, Negotiating Service Agreement and Budgeting for Berkeley’s Expected Service Fee**

Vice Mayor Harrison’s Office has convened and will continue to hold meetings between EBCE leadership and staff, the City Manager’s Office, OESD, and the City Attorney’s Office to review and finalize the scope of the non-binding term sheet.

This Resolution requests that the non-binding term sheet be referred to the FITES Committee to hold at least two public hearings to consider this item and the term sheet, with expected submission for Council for consideration in March, 2022. Council approval of the term sheet at that time will provide direction about the allocation to be referred to the budget process and will provide EBCE and City staff with direction to negotiate and finalize a Service Agreement following adoption of the FY ‘23 - ‘24 budget. A final Service Agreement would be submitted by staff for Council adoption.

Council adoption of this item and Resolution in support of the term sheet is a good faith effort towards partnership and reaching a binding agreement; however, it does not bind the City to any terms, agreements, or budgetary allocations.

**Budgetary Considerations and Opportunities**

EBCE forecasts that through the recent citywide decision to upgrade community accounts to its Renewable 100 electricity product, and the ongoing adoption of EVs, UUT revenues could increase by \$400,000-\$600,000 annually over the next 2-3 years. This does not include any additional revenue resulting from the operation of the proposed fast-charging hubs.

EBCE estimates that UUT revenues from existing Berkeley EV drivers charging on Renewable 100 would generate approximately \$105,000 per year based on 2021 EV registration figures. Therefore, a General Fund allocation of \$100,000 times three hubs per year could be justified on existing and projected UUT income from EVs alone. Further, EBCE estimates that Berkeley’s ambitious goal of 15,000 EVs by 2025 could generate approximately \$1.3 million in UUT per year, plus any additional revenue from visitors who charge their EVs in Berkeley.

The City’s engagement in this partnership represents an innovative and bold realization of the original premise of EBCE’s founding—providing residents with affordable and clean publicly-procured electricity that reduces GHG emissions and criteria air pollutants. It also furthers the City’s goals of equity and equality by providing residents

who are renters access to a zero-carbon transportation fuel that will significantly reduce emissions from Berkeley's transportation sector.

#### ALTERNATIVES CONSIDERED

The City could try to raise capital to fund fast-charging hub development on its own and receive LCFC credits. However, the City would need to make a significant upfront investment without the same initial level of capital access enjoyed by EBCE. The City also lacks certain expertise in terms of operating utility-level services.

The City could wait for the private market to build fast-charging infrastructure at scale. However, there are no guarantees that this will materialize in the timeframe needed to meet state and local climate action goals. Private sector owned fast-charging will not necessarily be sited in convenient or equitable locations that serve renters in multifamily housing. The City would forgo the benefits to residents of EV adoption at scale and the potential revenue from the proposed public-public profit-sharing agreement with EBCE.

#### JUST TRANSITION

Substituting passenger vehicle miles traveled with zero-carbon mobility will reduce GHG emissions and air pollution, which disproportionately impact frontline communities.

The item prioritizes deployment of fast-charging hubs in areas with dense concentrations of multifamily properties which will enable lower-income residents that need access to a personal vehicle to transition to EVs.

Consistent with City values and equity initiatives, the City should strive with EBCE to ensure that project investments support prevailing wage and other labor standards, and minority-owned contractors.

#### FINANCIAL IMPLICATIONS

This item would result in investments of \$100,000/year per hub across three hubs for 10 years, reduced by any Site License Fee revenues remitted by EBCE to the City. Under the low and high hub utilization scenarios, EBCE estimates the City will likely recoup its investment via Site License fees after 8-10 years, depending on utilization.<sup>17</sup> The City would likely see net profits from Site License Revenue estimated at between \$51,000 and \$851,000. In addition, EBCE estimates that there will be an additional \$400k-\$600k in Utility User Tax proceeds annually over next 2-3 years due to existing City policies, and up to \$1.3 million per year by 2025 if Berkeley meets its EV adoption goals.

#### ENVIRONMENTAL SUSTAINABILITY

Supporting incentives for building decarbonization will complement and accelerate

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<sup>17</sup> Not including any increase in UUT that the City collects.



Berkeley's ongoing efforts to reduce carbon emissions at an emergency and equitable pace in line with the Climate Action Plan, Climate Emergency Declaration, and Electric Mobility Roadmap.

CONTACT PERSON

Councilmember Kate Harrison, Council District 4, 510-981-7140

ATTACHMENTS

1. Resolution
2. Appendix

RESOLUTION NO. ##,###-N.S.

RESOLUTION ESTABLISHING CITY PROCESS FOR SITING AND DEVELOPING  
PUBLIC ELECTRIC VEHICLE DC FAST CHARGING HUBS

WHEREAS, the world is facing a grave climate emergency, requiring municipalities to rapidly and justly transition towards a zero-carbon economy by 2030; and

WHEREAS, 60% of Berkeley's sector-based greenhouse gas (GHG) emissions as of 2019 result from the transportation sector, and in addition to public transportation, walking, biking and scooters, replacing internal combustion vehicles with electric vehicles will be a major factor in reducing emissions; and

WHEREAS, transitioning Berkeley's economy will require significant investment on the part of both government and residents and low-carbon technology, including electric vehicle charging infrastructure, which is underdeveloped in Berkeley and can often be out of reach for many households; and

WHEREAS, the primary hurdle to widespread electric vehicle adoption moving forward will be the availability of reliable and convenient fast charging infrastructure for residents who are renters who do not have access to charging at home and commuters, visitors and businesses; and

WHEREAS, City's Electric Mobility Roadmap and Climate Action goals provides a goal of having 15,000 electric light-duty vehicles registered in Berkeley by 2025, which according to California Energy Commission modeling would require a significant investment in public direct current fast charging (DCFC) ports; and

WHEREAS, Alameda County's default public power provider, East Bay Community Energy (EBCE), is proposing a public-public partnership with the City to develop and operate up to three DCFC hubs, that EBCE will own and operate, across Berkeley in areas with a dense concentration of multifamily housing that are near amenities desired by drivers; and

WHEREAS, the proposed public-public partnership would provide Berkeley residents and visitors with state-of-the-art fast charging infrastructure, enabling the transition from internal combustion vehicles for those who were not early adopters and reducing GHG emissions from the transportation sector; and

WHEREAS, EBCE and the City of Berkeley have developed the proposed non-binding term sheet describing how EBCE would develop, operate and market up to three DCFC hubs under a Service Agreement; and

WHEREAS, in parallel EBCE will negotiate a Site License Agreement with the City providing EBCE with access and use of public land for EBCE's DCFC hubs, and once the project is generating revenues above EBCE's annual project costs, EBCE will share revenue with the City via the Site License Agreement; and

WHEREAS, the Site License Agreement revenue payments and Utility Users Tax proceeds, resulting from increased electricity consumption as a transportation fuel at EBCE's DCFC hubs, can provide the City of Berkeley with new revenue sources; and

WHEREAS, it is in the public interest for the City to proceed to negotiate a Service Agreement with EBCE as generally proposed by the non-binding term sheet.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager or their designee is authorized to negotiate a Service Agreement with EBCE subject generally to the non-binding terms included in the attached term sheet and any subsequent amendments or modifications thereto, as the City and EBCE may deem appropriate, and that execution of the Service Agreement is contingent upon Council allocation of funding for the City's Service Fee as part of the FY 2023-2024 budget process and subsequent adoption of the Service Agreement by Council.

Attachment:

A: Non-binding Public Electric Vehicle DC Fast Charging Hub Term Sheet between EBCE and the City of Berkeley

## TERM SHEET FOR PUBLIC DC FAST CHARGING (DCFC) PARTNERSHIP

### Overview

East Bay Community Energy (“EBCE”) seeks to partner with its Joint Powers Authority member cities and the County of Alameda to develop, own, and operate a network of publicly available electric vehicle (“EV”) fast charging projects, or “EV Fast Charge Hubs”, sited at municipally owned parking lots and garages across the EBCE Service Territory. EBCE will site EV Fast Charge Hubs in areas with a dense concentration of multifamily housing to ensure renters, who represent nearly 50% of the population in EBCE’s service territory, have equitable access to the benefits of EVs. To date, these areas are significantly underserved by charging infrastructure which represents a critical barrier in achieving the State of California’s EV adoption goals due to the fact that renters do not have access to charging where they live. Each EV Fast Charge Hub will consist of a minimum of 10 dual-port fast charging stations. EBCE intends to develop up to three (3) EV Fast Charge Hubs per JPA member community.

Building EV Fast Charging Hubs across EBCE’s service territory will require significant project capital. EBCE seeks to raise this capital using a public-public partnership with member communities providing a revenue guarantee, or “backstop,” to cover project debt service (described below). This backstop will yield a lower cost of capital and can provide dividends to our City and County partners through a profit sharing mechanism.

To develop EBCE’s EV Fast Charge Hubs, we envision entering into a Services Agreement and Site License Agreement(s) with the City of Berkeley that will include the following terms:

### EBCE Responsibilities:

- Develop, interconnect, own, operate and maintain EV Fast Charge Hubs
- Finance project development and operations with EBCE capital, private equity and debt
  - EBCE will fund working capital and a reserve account sufficient to cover one year of debt service
  - EBCE will book, claim and sell Low Carbon Fuel Standard credits to fund project operations
- EBCE will pay the City of Berkeley an annual Site License fee starting the year after project Net Operating Income exceeds EBCE’s cost to service Debt.
  - The Site License fee will be calculated by the following formula:
    - Once 'year N' Project Net Operating Income > EBCE Annual Project Debt Service payment, then:
    - Site License fee (year N+1) = 40% \* [Net Operating Income (year N) – EBCE Annual Project Debt Service payment (year N)]
    - Net Operating Income is the sum total of electricity sales and LCFS revenue minus operating costs such as electricity procurement, operations and maintenance.
- Procure wholesale renewable electricity (e.g., Renewable 100) for use as a transportation fuel
- Develop EV specific charging rates, that are beneficial to all drivers, to encourage utilization
- Market EV Fast Charge Hubs to drivers across EBCE territory
- Partner with private sector stakeholders to increase EV adoption and EBCE EV Fast Charge Hub utilization

**City of Berkeley Responsibilities:**

- City of Berkeley will sign a Service Agreement with EBCE to provide Public DC Fast Charging with an annual Service Fee of \$100,000 per EV Fast Charging Hub
  - The Service Fee will be billed on the first day of commercial operation and billed annually henceforth
  - EBCE will reduce the annual Service Fee by the amount of the Site License fee.
  - The Annual Site License fee may exceed the Annual Service fee, resulting in net payments to City of Berkeley from EBCE
- Provide EBCE access to the City of Berkeley’s parking lot and/or garage real estate portfolio for siting EV Fast Charge Hubs (e.g., host site).
  - The number of parking spaces at each host site (e.g., lot/garage) must be sufficient to support the deployment of EBCE’s EV Fast Charge Hubs.
    - Each Fast Charge Hub will have a minimum of 10 charging stations and each dual port fast charging station will require 2 parking spaces
    - Each parking space must be EV Only for the use case of charging
    - Each EV Fast Charge Hub will require compliance with the Americans with Disability Act (ADA), which mandates allocation of additional EV Only parking spaces.
  - Provide free access to lots/garages to EV drivers for a minimum of one (1) hour for the use of EV charging
  - Allow access 24 hours per day / 7 days per week
- Work with EBCE to expedite permitting of the EV Fast Charge Hub(s)
- Increase awareness of EV Fast Charge Hub availability to residents, businesses and visitors
- After EBCE site technical assessment, should any of the City of Berkeley lot/garage(s) be determined infeasible for project deployment, assist EBCE with connecting with other public agency and/or private sector stakeholders who own strategic real estate assets suitable for EV Fast Charge Hub development

**Next Steps and Proposed Schedule:**

Action Item	Timing (in sequence)
EBCE and City of Berkeley execute Services Agreement	2-4 months
EBCE identifies siting priorities	2 months
EBCE and City of Berkeley execute Site License Lease Agreement	4 months
EBCE develops EV Fast Charge Hubs	6-12 months

The following departments, at minimum, will need to be engaged in the negotiation and development process:

Department	Include: (Y/N)	Lead Contact
Sustainability Office:		
City Manager:		

City Attorney:		
Finance Department:		
Public Works:		
City Council:		
Other:		

**Conclusion:**

In addition to the terms described above for the Services and Site License Agreements, each will also include terms such as indemnification, insurance, and default provisions which will be negotiated between EBCE and the City of Berkeley. The terms included in this Term Sheet serve as a summary, are not all-inclusive and do not constitute a binding commitment at this time between EBCE and the City of Berkeley.

Appendix

*Proposed Site License Fee (Paid to City of Berkeley) Formula*

The City's Site License Fee is calculated in the following manner:

$$\text{Site License fee (year N+1)} = 40\% * [\text{Net Operating Income (year N)} - \text{EBCE Annual Project Debt Service payment (year N)}]$$

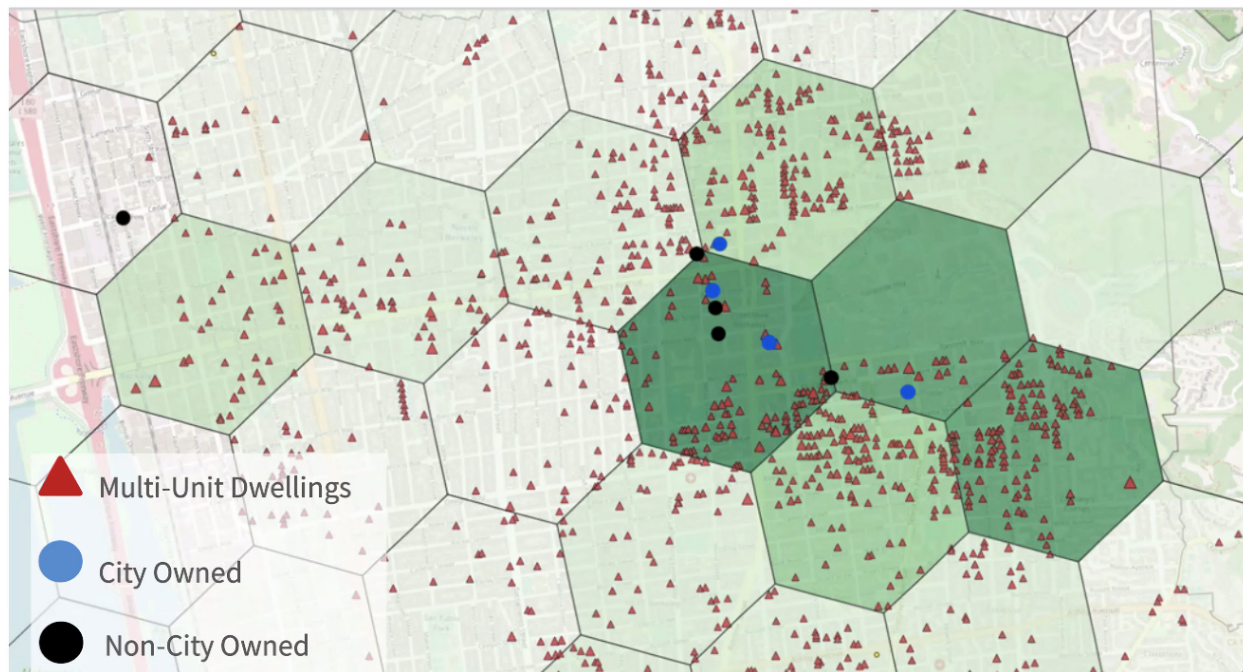
Whereby:

(NOI) = Net Operating Income: the sum total of electricity sales and LCFS revenue minus operating costs such as electricity procurement, operations and maintenance.

Year N = Project year where NOI > EBCE Project Debt Service

Appendix

EBCE Mapping of Berkeley Multi-Unit Dwellings, Favorable City-Owned and Non-City-owned Parking Lots/Garages, and Concentration of TNC Passenger Pick-up and Drop-off



◻ Proprietary data from Transportation Network Company regarding concentration of pick-up and drop-off activities (provided to EBCE via non-disclosure agreement)