

 COBOURG	THE CORPORATION OF THE TOWN OF COBOURG	
	STAFF REPORT	
TO:	Mayor and Council Members	
FROM:	Brent Larmer	
TITLE:	Municipal Clerk/Manager of Legislative Services	
DATE OF MEETING:	Monday September 9, 2019	
TITLE / SUBJECT:	Zero-Emission Vehicle Infrastructure Program Partnership with OPG	
REPORT DATE:	September 5, 2019	File #:

1.0 STRATEGIC PLAN

Not Applicable

2.0 PUBLIC ENGAGEMENT

Not Applicable

3.0 RECOMMENDATION

THAT Council authorize the preparation of a by-law to be endorsed and be presented to Council for adoption at a Regular Council Meeting to authorize execution of a Memorandum of Understanding between Ontario Power Generation Inc. (OPG) and The Corporation of the Town of Cobourg for the Purposes of Installing, Owning, Operating and Maintaining Level 2 Electric Vehicle Chargers and Related Equipment within the Town of Cobourg.

4.0 ORIGIN

The Government of Canada is steadfast in its belief that electrification is key to decarbonizing our transportation sector and transitioning to a low-carbon future. That is why, the Government of Canada has set ambitious federal targets for zero-emission vehicles (ZEV) reaching 10% of light-duty vehicles (LDV) sales per year by 2025, 30% by 2030 and 100% by 2040.

According to experts, access to localized and visible charging infrastructure is key to alleviate consumer concerns about where to charge their vehicle. To that end, the Government of Canada announced, through its 2019 Budget, \$130

million over five (5) years (2019-2024) to deploy a network of zero-emission vehicle charging (level 2 and higher) and refuelling stations in more localized areas where Canadians live, work and play.

Support is also available for strategic projects for electric vehicle and/or hydrogen infrastructure for corporate fleets, last-mile delivery fleets, and mass transit. This funding will be delivered through cost-sharing contribution agreements for eligible projects that will help meet the growing charging and refuelling demand. The program supports electric vehicle charging infrastructure deployment in parking areas intended for public use. Parking areas can be privately or publicly owned and operated.

Examples of public places include, but are not limited to:

- service stations;
- restaurants;
- arenas;
- libraries;
- medical offices;
- park and ride; etc.

The first Request for Proposals focusses on Public Places and On-Street and is open for applications until midnight on September 18, 2019. All applicants will be informed of NRCan's funding decisions by November 2019. NRCan's contribution through this Program will be limited to fifty percent (50%) of Total Project Costs up to a maximum of five million dollars (\$5,000,000) per Project.

5.0 BACKGROUND

In order to be considered for funding, the Project must meet the following requirements:

- Increase localized charging opportunities in Public Places and/or On-Street;
- Should the charging stations have multiple connectors where each connector can charge a vehicle and support a dedicated parking space simultaneously, each connectors can be counted as a charging station;
- The work performed must be in compliance with all applicable local codes (for example, building and electrical) and bylaws (for example, zoning and parking);
- Charging infrastructure must be installed in a parking space clearly identified for the purpose of charging electric vehicles; and
- Be completed within eighteen (18) months after the receipt of the Letter of Conditional Approval.

6.0 ANALYSIS

Ontario Power Generation (OPG) is currently seeking Site Host partners interested in deploying Level 2 EV charging infrastructure in order to better leverage the funding opportunity.

OPG's proposal consists of the following:

- They are seeking site host partners interested in deploying Level 2 EV charging infrastructure. Site hosts will endorse a submission to NRCan;
- OPG offers the following value to site hosts:
 - Increases the odds of funding success by collecting sites into a larger proposal to NRCan;
 - Avoids high upfront installation costs;
 - A turn-key public Level 2 charging service whereby OPG takes care of installation, maintenance and operation of the charging stations on the municipality's behalf;
 - Provides seamless user experience by connecting site hosts to a wider Ontario based network of EV charges;
 - Ongoing management of NRCan relationship and reporting OPG is looking for municipalities to enter into a 10-year lease agreement (this could be flexible but costs may increase if the number of years included in the agreement is reduced)

Site hosts (municipalities in Northumberland and Alderville First Nation) have to sign a non-binding MOU with OPG and an exclusivity document with OPG with regard to Natural Resources Canada's Zero Emission Vehicle Infrastructure Program (ZEVIP) due on September 18, 2019. The cost will be spread over 10 years.

Level 2 charging stations use a 240 volt system (similar to a clothes dryer plug) and can fully charge a vehicle from 0 per cent charge in about four to six hours. In addition, Level 2 charging stations are relatively simple pieces of equipment and generally do not require regular maintenance, except for an occasional cleaning if required. Level 3 charging stations (also known as Direct Current Fast Chargers or DCFC) use a 480 volt system and can charge a vehicle to 80 per cent in about 20-30 minutes. These stations allow EV drivers to charge their vehicles about eight times faster than Level 2 charging stations, making longer trips more feasible for EV drivers. Level 3 charging stations would seem to be the preferred solution. However, they are much more expensive to deploy and operate, and with their 20-30minute charge time are best suited to in-transit charging instead of destination charging.

7.0 FINANCIAL IMPLICATIONS/BUDGET IMPACT

The funding application is submitted by OPG to NRCan, which means that the purchase and installation of the EV chargers are financed by OPG. OPG owns the EV chargers, and the municipality would be a site host for 10 years (with an option to extend for a longer period). OPG would be responsible for all maintenance and repairs in addition to the upfront capital cost. The Municipality is responsible for an annual service fee per charger. The estimated annual service fee per charger is \$1,000-\$2,000, which results in an estimated total annual cost of \$4,000-\$8,000 based on 4 chargers. The cost will vary based on site specific conditions and will be refined upon approval by NRCan and following a site assessment. The electrical cost to operate the charger is paid for by the Municipality, but all revenue is sent back to the Municipality from OPG.

While the market is expanding for EVs, the amount of usage on any particular charging station is difficult to determine. It is recommended that Council support the submission of four 4 dual head EV chargers (8 connectors in total) for installation at:

- Division Street Lot;
- Victoria Hall; and
- Cobourg Community Centre (CCC)

A non-binding MOU (please see attached) is required to show NRCan that the Municipality and OPG are willing to negotiate in good faith should the funding application be successful. The total cost of four (4) chargers over then (10) years is approximately \$40,000 - \$80,000, which may be offset by any revenues in excess of the electricity charges.

As part of the submission process, the Municipality is not likely to hear back from OPG with final signings until early 2020 and discussions would last up to 18 months before the EV stations would be up and running, this would not be in time for the 2020 Budget deliberations. If OPG is successful, discussion would take place with municipalities if they would be interested in continuing in the EV Charging station installation and Staff will bring a further report to municipal Council at that time.

8.0 CONCLUSION

Municipal Staff have brought forward the proposed partnership with OPG to better leverage the funding available through the Zero-Emission Vehicle Infrastructure Program, and further recommends that Council support the MOU for the installation of 4 dual head EV chargers.

9.0 POLICIES AFFECTING THE PROPOSAL

Not Applicable

10.0 AUTHORIZATION/SIGNATURES



Brent Larmer
Municipal Clerk
Manager of Legislative Services

Laurie Will
Director of Public Works



Ian Davey
Interim CAO/Treasurer/Director of Corporate Services

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”), dated as of September 9th, 2019 (the “**September 9, 2019**”), sets forth certain nonbinding understandings and binding agreements between **ONTARIO POWER GENERATION INC. (“OPG”)** and **CORPORATION OF THE TOWN OF COBOURG (“the Town of Cobourg”)** relating to potential use of the lands legally described in Schedule “A” of this MOU (the “**Premises**”) for the purposes of installing, owning, operating and maintaining Level 2 electric vehicle chargers and related equipment (the “**Project**”). OPG and the Town of Cobourg are sometimes referred to individually as a “**Party**” and collectively as “**Parties**”.

1. MOU Subject to Definitive Agreement.

This MOU is for discussion purpose only, and is not intended to constitute a legally binding or enforceable agreement or commitment on either Party, except for Section 4, which shall be binding on the parties in accordance with its terms.

2. Negotiation of Definitive Agreement for Use of Premises.

During the period commencing on the Effective date and continuing for a period of 60 days (the “**Interim Period**”), OPG will have an exclusive option to license a portion of the Premises for the purposes of the Project. During the Interim Period or until the earlier termination of this MOU in respect of the Premises, the Parties agree to negotiate in good faith a definitive agreement that would govern the terms and conditions of the Project including a license of such Premises from Town of Cobourg to OPG (“**Definitive Agreement**”). Binding obligations with respect to the Project shall only arise upon the execution of the Definitive Agreement by both Parties.

3. Key Understandings of the Definitive Agreement

The Definitive Agreement shall set out the Parties respective roles and responsibilities with respect to the Project and the Parties agree that the Definitive Agreement shall include the following terms and conditions. These do not reflect all of the material terms of the Project but provide a basis for negotiating the Definitive Agreement:

- (a) Term. The Town of Cobourg shall provide OPG with a license to install and operate electric vehicle infrastructure for a period of ten (10) years, with an option to renew for additional terms.
- (b) Exclusivity. Town of Cobourg will grant OPG exclusive use of the Premises for the purposes of designing, installing, owning, and operating the Project. This right shall also include the ability to display logos and signage at the Premises, subject to the Town of Cobourg’s consent, of any signage at the premises if applicable, and all applicable laws;
- (c) Permits. Town of Cobourg will cooperate with OPG to obtain any required permits and approvals in connection with the Project; and
- (d) Maintenance. The Town of Cobourg will provide cleaning services at the Premises.
- (e) Cost. The Town of Cobourg will be responsible for paying all electricity costs associated with the operation of the electric vehicle Level 2 chargers; and
- (f) Fees. The Town of Cobourg will pay OPG an annual services fee in connection with the provision of the Project.

4. Binding Agreements.

This Section 4 shall constitute a legally binding and enforceable agreement between the Parties. In consideration of the expenses that the Parties will incur in pursuing the Project and drafting and negotiating the Definitive Agreement, the Parties agree as follows:

- a) Good Faith Negotiation. The Parties shall negotiate in good faith and use their reasonable efforts to bring about the execution and delivery of the Definitive Agreement at the earliest practicable time. The execution of a binding agreement between the Parties is subject to any required internal approvals.
- b) Termination. The Town of Cobourg and OPG shall each have the right at any time, upon written notice to the other party, to terminate this MOU in respect of one or more of the Premises.
- c) Exclusivity. The Town of Cobourg agrees that from the Effective Date until the expiration of the Interim Period or earlier termination of this MOU in respect of the Premises, the Town of Cobourg will not enter into any agreement, license, or lease which permits any party other than OPG to install and operate a project similar to the Project at the Premises.
- d) Confidentiality. All information, both written and oral, obtained by the Town of Cobourg in connection with the Project is subject to that certain Confidentiality Agreement, dated as of September 9, 2019 between the Parties.
- e) Governing Law. This MOU shall be governed by and construed in accordance with the laws of Ontario and the federal laws of Canada applicable therein.
- f) Entire Agreement. This MOU constitutes the entire agreement between the Parties hereto with respect to the subject matter of this MOU. The Parties acknowledge that there is no representation, warranty, and agreement or understanding between them, whether express or implied, which has induced any of the Parties hereto to enter into this MOU except as expressly stated herein.

IN WITNESS WHEREOF the Parties have executed this MOU as of the Effective Date

ONTARIO POWER GENERATION INC.

**CORPORATION OF THE TOWN OF
COBOURG**

Per: _____
Name:
Title:

Per: _____
Name: John Henderson
Title: Mayor

Per: _____
Name: Brent Larmer
Title: Municipal Clerk

I/We have authority to bind the corporation.

I/We have authority to bind the corporation.

Schedule "A"
Premises

- 1. Victoria Hall – 55 King Street West, Cobourg**
- 2. Division Street Lot – 55 Queen Street, East**
- 3. Cobourg Community Centre - 750 D'Arcy St, Cobourg**