



REPORT FOR ACTION

Toronto Parking Authority / Toronto Hydro Electric System Limited Electric Vehicle Charging Pilot Project Update

Date: November 4, 2021

To: Board of Directors, Toronto Parking Authority

From: President, Toronto Parking Authority

Wards: All

SUMMARY

Toronto Parking Authority (TPA) seeks to retain Toronto Hydro-Electric System Limited (THESL) to deploy and operate thirty-two electric vehicle (EV) chargers at TPA-operated facilities. TPA is requesting authority to enter into two (2) agreements, one (1) for the retention of THESL with respect to nine (9) EV chargers that will replace the existing EV charging equipment that TPA has in place at three (3) TPA facilities; and the other for THESL's retention with respect to twenty-three (23) EV charges at other locations within TPA facilities.

The purpose of this report is to provide TPA Board of Directors with an update on the status of TPA's Electric Vehicle (EV) Charging Pilot Project and to seek authority to include new and amended terms and conditions in the agreements needed to enable TPA's retention of THESL to provide the necessary goods and services to install the EV charging stations and operate for a three (3)-year period, the EV charging stations as a TPA service provider.

Key changes to the terms and conditions include the removal of a licence for THESL to access the TPA facilities to operate the EV charging infrastructure as an independent amenity operated by a third-party, along with the restructuring of the agreement to retain THESL as a service provider to operate the EV charging infrastructure; and the incorporation of actual installation costs as the basis for calculating TPA's option to purchase the EV charging units and/or related infrastructure at the end of the term.

Should TPA Board of Directors adopt the recommendations of this report, TPA will work with THESL to finalize and execute the necessary agreements before the end of 2021 with installation and operation of the thirty-two chargers expected in 2022.

RECOMMENDATIONS

The President, Toronto Parking Authority recommends that:

1. The Board of Directors of Toronto Parking Authority (TPA) grant authority for the President, Toronto Parking Authority to, negotiate, enter into and execute on behalf of Toronto Parking Authority, two (2) agreements with Toronto Hydro-Electric System Limited to provide the goods and services necessary for Toronto Hydro-Electric System Limited to operate as a service provider to the Toronto Parking Authority for a three (3)-year period, two separate collections of specific electric vehicle charging infrastructure stations within parking facilities operated by Toronto Parking Authority, in accordance with the updated terms and conditions contained in Attachment A to this report, and any such other or amended terms and conditions as may be acceptable to the President, Toronto Parking Authority, and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

There are no immediate financial impacts associated with the amended terms and conditions of the proposed agreements with THESL.

Through discussions with THESL, the cost for the equipment to be installed is now estimated at approximately \$10,000 per L2 charger and \$100,000 per L3 charger. Actual costs are not yet known but will be confirmed by THESL at the time of installation. Upon termination of the agreement or at the end of the term, TPA will have the option to purchase the charging stations and/or supporting infrastructure on a straight-line annual depreciation basis of the actual installation costs.

TPA will include a request as part of future capital budgets should TPA elect to purchase the charging equipment and/or electrical infrastructure at the end of the term.

DECISION HISTORY

At its meeting of April 26, 2021, TPA Board of Directors adopted the recommendations included in PA22.3, with amendments, and authorized the President, TPA to negotiate, enter into and execute two (2) three (3)-year agreements with Toronto Hydro-Electric System Limited to provide the necessary goods and services necessary for Toronto Hydro-Electric System Limited to operate specific electric vehicle charging infrastructure stations within parking facilities operated by Toronto Parking Authority.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.PA22.3>

COMMENTS

Under the terms of the proposed arrangement, THESL will be responsible for purchasing and installing the equipment and operating and maintaining the equipment for a three (3) year-period as a service provider to the TPA. THESL is expected to enter into a third-party agreement to maintain the network of charging stations and will provide TPA with timely reporting of usage statistics, revenue and hydro consumption.

Under the form of the EV Charging Infrastructure Agreements previously contemplated by TPA and THESL, TPA would have been required to provide a licence to THESL for the use of TPA's facilities hosting the EV charging equipment, as independent amenities, rather than part of the TPA's overall operations of parking facilities. This arrangement introduced unnecessary complications to the agreements, which would have, in addition to other complications prevented the prompt commencement of this pilot project, resulting in additional operating costs for THESL and settlement fees (hydro costs) for customers charging vehicles at the EV charging stations being installed. TPA and THESL are proposing to enter into two (2) goods and services contracts where TPA will retain THESL to provide the necessary goods and services to construct and install the EV charging stations; as well as operate the EV charging stations as a TPA service provider for a three (3)-year period after the installation thereof.

As previously reported to TPA Board of Directors, nine (9) of the chargers will replace the existing EV charging equipment that TPA has in place at Car Parks 36 (100 Queen Street West), 34 (Dundas Square) and 286 (51 Dockside Drive). Details about each location are included in Table 1.

Table 1: Replacement of Existing TPA EV Charging Equipment

Car Park	Address	Location name	Existing Number of EV stations
CP36	100 Queen St W	City Hall	2
CP34	20 Dundas Square	Dundas Square	2
CP286	51 Dockside	George Brown	5

The remaining 23 EV chargers (20 L2 chargers and three (3) L3 chargers) will be installed at TPA facilities that are mutually agreeable to both TPA and THESL. It is anticipated that centrally-located facilities that have readily available access to the required hydro supply will be targeted to ensure that capital start-up costs are minimized.

Through discussions with THESL, the cost for the equipment to be installed is now estimated at approximately \$10,000 per L2 charger and \$100,000 per L3 charger (estimated installation cost). Actual installation costs are not yet known, but will be confirmed by THESL at the time of installation. Upon termination of the agreement or at the end of the term, TPA will have the option to purchase the charging stations and/or

supporting infrastructure on a straight-line annual depreciation basis of the actual installation costs.

There are no further changes proposed to the obligations of the respective parties. An updated summary of the terms and conditions of the agreements are included in Appendix A.

Should TPA Board of Directors adopt the recommendations of this report, TPA will work with THESL to finalize and execute the agreements before the end of 2021 with installation of the equipment occurring in 2022.

CONTACT

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SIGNATURE

W. Scott Collier, President
Toronto Parking Authority

ATTACHMENTS

Appendix A - Summary of Agreement Terms

APPENDIX A – SUMMARY OF AGREEMENT TERMS

The general terms and conditions of the agreements are provided in the table below as may be acceptable to the City Solicitor. Updates to the terms and conditions are shown in bold.

Proposed Terms and Conditions	
Commencement Date:	December 1, 2021 or on a date to be determined
Summary:	Two separate agreements with Toronto Hydro-Electric System Limited (THESL) to purchase, install, and construct two (2) EV charging infrastructure projects within certain parking garages operated by TPA, as well as the operation and maintenance thereof for a period of three (3) years, as a service provider to the TPA ; one of which includes design, procurement, installation, operation and maintenance of L2 and L3 charging stations, and the other includes design, procurement, installation, operation and maintenance of L2 charging stations only
Toronto Hydro-Electric System Limited Obligations:	• Removal of existing EV charging stations and return to TPA or disposal of equipment per TPA's direction. • Cooperatively with TPA obtain necessary permits and third-party approvals for the implementation of the pilot. • Negotiate and enter into an agreement with a third party to procure and install charging stations at the selected sites. • Control of the installation of the pilot charging stations and the coordination of any construction, work, sequences or procedures necessary, with TPA approval • Negotiate and enter into an agreement with a third party to maintain the network of charging stations in good repair. • Provide TPA with timely reporting of usage statistics, revenue and hydro consumption

Proposed Terms and Conditions	
TPA Obligations:	• Provide and determine which spaces are to be used for the pilot for the use of the charging stations • Support relevant applications as applicable for obtaining any necessary permits and third-party approvals for the implementation of the pilot • Establish operational policies concerning use of EV charging spaces by EV and non-EV patrons (Site Rules) • Provide enforcement for the EV spaces with respect to Site Rules • Provide THESL quarterly reporting within 30 days of quarter-end describing infractions of Site Rules during the previous quarter • Create and install appropriate signage and arrange for line painting to indicate EV charging spaces • Develop Marketing Strategy and assess opportunities for further third-party advertising on pilot charging stations with THESL • Provide THESL and its contractors access to EV spaces as required for maintenance and repair activities
Exclusivity:	The agreement between THESL and TPA is non-exclusive for the three (3) pilot sites. TPA agrees that if they are to contract with others for the procurement of EV charging stations at any pilot project site during the term of the pilot project, rates will be the same as those at chargers procured by Toronto Hydro.
Fee Structure:	THESL is responsible for all charger operating costs (data management, customer service platform) and maintenance costs (damage to equipment, failures, troubleshooting). THESL is also covering project costs including engineering, legal and business development. Fees projected to be \$2 per charging hour - all fees to be collected and received by THESL. TPA is responsible for paying hydro as the fees collected by THESL will be used for project costs.
Termination:	Either party has the ability to terminate with 90 days written notice. Upon termination, at end of term, or earlier, there is no obligation for TPA to pay for equipment, however if they choose to purchase the equipment from THESL the remaining balance for the equipment will be determined on a declining balance approach.