



CITY OF TUALATIN Staff Report

TO: Honorable Mayor and Members of the City Council
THROUGH: Sherilyn Lombos, City Manager
FROM: Maddie Cheek, Management Analyst I
DATE: May 9, 2022

SUBJECT:
Portland General Electric (PGE) Fleet Partner Program Update

RECOMMENDATION:
Pursue PGE's Fleet Partner Program to initiate the transition of City fleet vehicles from conventional vehicles to electric vehicles.

EXECUTIVE SUMMARY:

PGE currently offers a Fleet Partner program, which incentivizes electrification of commercial and local government vehicle fleets by paying a large portion of the cost to install chargers. The goal of this program is to speed up the transition to electric vehicles to mitigate climate impacts.

PROGRAM OVERVIEW:

In Fall 2021, PGE approached the City of Tualatin with their Fleet Partner Program, an incentive program aimed at transitioning business and local government vehicle fleets from conventional vehicles (those that operate on fossil fuels) to electric vehicles (EVs) by providing a financial incentive for organizations to install 'make-ready infrastructure' for EV charging. 'Make-ready infrastructure' refers to the electrical conduit, meter, and associated equipment; everything needed for installation and use of EV chargers except the chargers themselves.

The City of Tualatin worked with PGE through the planning phase by providing data on which of our current fleet vehicles could transition to EVs over the next 10 years, as well as vehicle usage information, and site plans for the upcoming parking lot project at the Tualatin City Services site. This allowed staff to ensure that the City qualified for the incentives and provided an overview of the costs and benefits of the program. Based on our proposed plans, PGE will pay approximately 50% (\$75,802) of the cost to design through their Fleet Partner Build Incentive and construct the 'make-ready' infrastructure that will allow us to install EV chargers. The City is responsible for the remaining amount of \$76,622.

The next phase of the project, if the City chooses to pursue it, is the build phase, in which PGE provides final design and installation of make-ready infrastructure and a Fleet Partner Build Incentive based on forecasted energy use of the chargers. The City would be responsible for purchasing EV chargers and paying for the cost of installation, maintenance, and operation of the chargers. PGE would install, maintain, and own all the other make-ready infrastructure leading up to the base of the chargers. The City would also be required to keep chargers operational and share charging data with PGE for 10 years, as well as use 364,435 kWh of electricity for vehicle

charging by 2032. The project team has no concerns about meeting this electricity requirement given fleet usage data.

Staff compared the capital costs (fueling infrastructure and vehicle replacement), fuel costs, and maintenance costs of conventional vehicles and EVs over the next 10 years. In the next decade, the City would spend roughly \$1.3 million for conventional vehicles, or \$1.14 million on EVs for this group of 19 vehicles. The City would save approximately \$160,000 in the next decade if it pursues the PGE Fleet Partner Program and switches the 19 vehicles identified in this analysis to EVs.

OUTCOMES OF DECISION:

The following outcomes will occur if the City decides to pursue PGE's Fleet Partner Program:

- Replace at least 19 conventional vehicles with EVs over the next 10 years.
- Reduce greenhouse gas emissions from City operations by 45-85 metric tons of carbon dioxide in the next 10 years. This is equivalent to canceling out the emissions from annual power use for 30-55 average households¹.
- City will pay make-ready infrastructure costs not covered by PGE (Estimated at \$76,622).
- City will purchase and install ten (10) level 2 charging ports (five charging pedestals) by 2032. The net cost of chargers is \$36,000 for the City, and includes a rebate of \$1,000 per charger.
- Sign an easement for PGE-owned 'make ready' charging infrastructure.

ALTERNATIVES TO RECOMMENDATION:

Continue to replace City fleet vehicles with conventional vehicles, purchase fossil fuels to power these vehicles, and pay roughly 35% more to maintain these vehicles than the electric alternative.

CLIMATE IMPLICATIONS:

Reduce greenhouse gas emissions from City operations by 45-85 metric tons of carbon dioxide in the next 10 years. While the City's climate action planning process is currently in progress, it is likely that one of the recommendations from the plan will be to increase EV adoption in the city.

FINANCIAL IMPLICATIONS:

Infrastructure & chargers. The City would be responsible for paying 'make-ready' infrastructure costs (\$76,622), plus the cost of chargers (\$36,000) for a total of \$112,622 to install EV infrastructure.

Vehicles. Currently, EVs cost roughly \$10,000 more per vehicle than their conventional counterparts. However, use of EVs reduces each vehicle's fueling and maintenance costs and reduces the need for a large-scale fuel tank replacement project, making the costs more competitive over the life of the vehicle. Staff expect this to result in an overall savings of \$160,000 over the next 10 years.

ATTACHMENTS:

-PowerPoint Presentation

¹ <https://www.climateneutralgroup.com/en/news/what-exactly-is-1-tonne-of-co2/>