



CITY OF OAKLAND

AGENDA REPORT

TO: Jestin D. Johnson
City Administrator

FROM: Michael Kashiwagi
Interim Director, OPW

SUBJECT: Agreement to Accept Incentive Grant
Fund from PG&E

DATE: November 5, 2024

City Administrator Approval

Date:


Jestin Johnson (Nov 7, 2024 15:33 PST)

Nov 7, 2024

RECOMMENDATION

Staff Recommends That City Council Adopt A Resolution:

- (1) Authorizing The City Administrator To Enter Into An Incentive Grant Agreement With Pacific Gas And Electric Company (PG&E) To Accept The Installation Of Infrastructure And New Dedicated Electric Vehicle (Ev) Transformer At The Municipal Service Center To Support Fifteen (15) Medium-Heavy Duty Vehicle Charging Stations For A Total Cost Estimated To Be Six Hundred Forty-Three Thousand Dollars (\$643,000) That Will Be Funded Directly By PG&E;**
- (2) Comply With Terms Of The Contract In Which The City Incrementally Purchases Fifteen (15) Charging Stations And A Minimum Of Three (3) Medium-Heavy Duty Vehicles Per Year, Totaling Fifteen (15) Vehicles Over A Five (5) Year Period From 2024 To 2028; And**
- (3) Adopting Appropriate California Environmental Quality Act (CEQA) Findings**

EXECUTIVE SUMMARY

The City of Oakland's fleet must transition to alternatively fueled, zero-emission, renewable or low-carbon fuel powered vehicles. This transition is being driven by City policy and guidance provided in the Equitable Climate Action Plan (ECAP) and Zero Emission Vehicle (ZEV) Action Plan, as well as State of California Executive Orders and mandates such as the Advanced Clean Fleet (ACF) Rule, Advanced Clean Trucks (ACT) Rule, Innovative Clean Transit (ICT) Rule, and off-road zero emission regulations currently under development. The fleet currently consists of approximately 1,570 on-road vehicles, of which approximately 1,045 are currently suitable for electrification. Currently, the City has (117) units that are electric or plug-in hybrid electric vehicles and aims to further reduce air pollution and greenhouse gas (GHG) emissions production by replacing the fleet with electric vehicles (EVs) when vehicles have exhausted their useful service

City Council
November 12, 2024

life. The ever-increasing Battery Electric Vehicle (BEV) counts will require the City to redesign and upgrade its infrastructure at the Municipal Service Center (7101 Edgewater Drive).

Oakland Public Works has been awarded \$643,000 by the Pacific Gas and Electric (**PG&E**), EV Fleet Electrification program, where PG&E has incentivized the City to design, construct, and maintain any necessary EV supply infrastructure at Municipal Service Center, 7101 Edgewater Drive. This project will be at no cost to the City as PG&E will fund its upgrade project valued at \$643,000 with the possibility of up to an additional \$500,000 back to the City through a combination of funds, rebates, in-kind services, or work from PG&E for City's EV charger installations at the discretion of PG&E.

Approving this resolution will upsize the City's EV supply infrastructure and support the fleet's mandated transition to clean air vehicles, help mitigate harmful environmental impacts by lowering vehicle tailpipe emissions, displace petroleum fuel consumption, and reduce vehicle fuel expenditures.

REASON FOR URGENCY

The partnership agreement must be signed and returned to PG&E by **November 30, 2024**. As PG&E's power supply to customers are almost at capacity in the MSC larger area, with this grant, PG&E is prioritizing its system power supply increase to MSC, thereby kickstarting the upgrade which supports City's EV infrastructure needs. If the City does not accept this, we are forced to go to the back of PG&E's growing queue with other PG&E Customers requesting service upgrades.

The City has been awarded a \$2,500,000 grant from the California Energy Commission, Charging Infrastructure for Government Fleets (CIGF) Program for the installation of 100 EV chargers, if the EV infrastructures at MSC is not upgraded immediately, the City will not be able to utilize the chargers installed at the MSC from the CIGF grant funding.

BACKGROUND / LEGISLATIVE HISTORY

The City of Oakland has pursued solutions to climate change and its impacts for more than two decades. Following early participation in global climate efforts in the late 1990s and early 2000s, the City began to highlight opportunities for local action, and adopted a number of City Council Resolutions supporting these efforts since then. This grant will be the first to address the transition for our medium-heavy duty fleet.

Per City Resolution No. [77842 C.M.S.](#), adopted on June 3, 2003, the City of Oakland will develop and implement a "Green Fleet" policy and direct the staff to purchase vehicles powered by alternative fuels whenever possible and actively pursue federal and state, and other incentive program related to clean air and energy efficiency.

Per City Resolution No. [82129 C.M.S.](#), adopted on July 7, 2009, the City of Oakland shall continue to provide leadership to reduce greenhouse emissions and mitigate the future effect of climate

change both locally and globally and direct staff to develop and draft Oakland Energy and Climate Action Plan.

Per City Resolution No. [88267 C.M.S.](#), adopted on July 28, 2020, the City is committed to continuing its leadership in reducing the City's GHG emissions and adopting the 2030 Equitable Climate Plan.

Per City Resolution No. [88268 C.M.S.](#), adopted on July 28, 2020, the City shall establish a goal to achieve community-wide action carbon neutrality no later than 2045, and maintain net-negative emissions thereafter.

Per City Resolution No. [88592 C.M.S.](#), adopted on April 20, 2021, the City Council supports the goal of reaching 100% zero emission vehicle (ZEV) sales by the year 2030.

Oakland City Council has demonstrated a long-standing commitment to reducing energy use and mitigating climate change, and the adoption of this resolution will keep City's long-term goals on track of reaching 100% zero emission vehicle (ZEV) sales by the year 2030, achieving community-wide action carbon neutrality no later than 2045, and ultimately increase resilience in the face of the climate crisis.

ANALYSIS AND POLICY ALTERNATIVES

The City of Oakland fleet has been transitioning to alternative low-carbon and renewable fuels for over two decades and Battery Electric Vehicles (BEV) and Plug-in Hybrid Vehicles (PHEV) offer significant emission reduction. With (117) electric vehicles in the light duty? (Joey confirm) fleet and the necessary growth of the City's medium-heavy duty fleet, the need for upsized power infrastructure is necessary now.

The Municipal Service Center at 7101 Edgewater Drive is currently not equipped to accommodate the growth of electric vehicle needs, the lack of infrastructure will result inefficiency where the City won't be able to charge/fuel the vehicles, which ultimately disrupt the operations and the services the City provides to the citizens of Oakland.

As directed by the City Council in the resolution No. [77842 C.M.S.](#), Oakland Public Works (OPW) has been actively pursuing federal and state grants related to clean energy vehicles, as a result OPW has been awarded \$643,000 incentive grant from PG&E. In the term of this grant, PG&E will directly fund the cost of EV upgrade infrastructure at the Municipal Service Center at 7101 Edgewater Drive.

This grant requires the City's commitment to purchase 15 medium (i.e., vehicles with 8501 GVW or above) -heavy (i.e., Transit or other Class 8 vehicle or equivalent to street sweeper/dump truck size) duty vehicles by December 2028, as shown on Vehicle Purchase Plan **Table 1** below:

Table 1

Electric Vehicle Deployment Schedule						
Description	2024	2025	2026	2027	2028	Total
Other Heavy Duty Vehicle	3	0	0	0	0	3
Medium Duty Vehicle	0	3	3	3	3	12

This commitment is necessary to align with the City fleet’s goal of replacing its aging fleet with electric vehicles. Many existing medium-heavy duty vehicles are at the end of their useful life. It is prudent that the City plans for EV replacement prior to complete equipment failure.

The approval of this resolution to accept and enter into an incentive agreement for the design and upgrade at the Municipal Service Center EV infrastructures will enable compliance with State mandates and Executive Orders, support City policies, enhance the City of Oakland’s position as a leader in reducing greenhouse emissions, enable charging of City EV’s, and increase City’s efficiency in powering the City’s new electric medium-heavy duty fleet.

The acceptance of this incentive grant will advance the citywide priorities of improving **Quality of Life** and **Vibrant Sustainable Infrastructure**.

FISCAL IMPACT

The approval of this resolution will not negatively impact City finances as PG&E will be directly funding it’s cost of \$643,000 for the design and upgrade of the EV infrastructure, where fund appropriations to the fund/org/project are not required. By entering this agreement, the City qualifies to potentially receive up to \$500,000 from rebates for 50% of the cost of the 15 chargers in addition to other in-kind services for the City’s portion of work. The cost of 15 medium heavy-duty vehicles deployment plan is estimated to be \$8,000,000, and to fund this cost, Oakland Public Work is actively applying for grants or electric vehicle incentives.

If the City of Oakland does not put into operation the number of vehicles stated in the said Vehicle Purchase Plan, PG&E in its sole discretion may require the City of Oakland to reimburse PG&E for PG&E’s scope of work including site design, engineering, installation, and other associated costs, up to \$643,000. To fund this reimbursement cost, City will be utilizing fund 4100, project TBD.

PUBLIC OUTREACH / INTEREST

No outreach was deemed necessary for the proposed policy action beyond the standard City Council agenda noticing procedures.

COORDINATION

The Oakland Public Works Department prepared the requested action. This report and resolution were reviewed by the Office of the City Attorney and Budget Bureau.

SUSTAINABLE OPPORTUNITIES

Economic: The approval of this resolution is expected to have a positive effect on the City of Oakland, where accepting this grant reduces the funding required by the City to construct EV charging infrastructure required to support mandated EV deployment and by providing lower cost electricity as a fuel, reduce City fuel expenditures on petroleum gasoline and diesel.

Environmental: By approving this resolution, City Council ensures that the City of Oakland continues to reduce greenhouse emissions and improve local air quality in and around Oakland's hardest hit frontline communities.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

This action is exempt from CEQA pursuant to CEQA Guidelines Sections 15061(b)(3) (common sense exemption and 15306 (information collection).

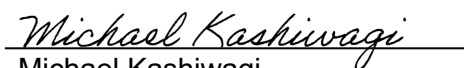
ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That City Council Adopt A Resolution:

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- (3) Adopting Appropriate California Environmental Quality Act (CEQA) Findings

For questions regarding this report, please contact Joseph Williams, Equipment Services Manager, at (510) 615-5489.

Respectfully submitted,



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