

ITEM No ...7...

REPORT TO: CITY DEVELOPMENT COMMITTEE – 9 SEPTEMBER 2019

REPORT ON: TOWARDS A FINANCIALLY SUSTAINABLE ELECTRIC VEHICLE CHARGING MODEL

REPORT BY: EXECUTIVE DIRECTOR OF CITY DEVELOPMENT

REPORT NO: 300-2019

1 PURPOSE OF REPORT

1.1 This report proposes the introduction of charging tariffs on a phased basis for the use of the publicly available electric vehicle charging infrastructure.

2 RECOMMENDATION

2.1 It is recommended that the committee:

- a approves the phased introduction of tariffs to ensure a financially sustainable model for charging electric vehicles is in place to support future expansion of the charging network, as set out in Section 5 of this report.
- b Delegates the Executive Directors of City Development and Corporate Services to set charges in future years to ensure that tariffs cover costs and minimise financial risk to the Council.

3 FINANCIAL IMPLICATIONS

3.1 Revenue costs associated with the charging infrastructure and energy costs were £130,420 in 2018/19. For 2019/20 costs are anticipated to be at least £153k energy consumption by electric vehicles and other charges as set out in the report. No budget exists to meet these costs, and at present they are contributing towards the overall City Development overspend.

3.2 The city's charging costs are broken down as follows for council, business and public usage in 2018/2019:

Council Usage	Business Usage	Public Usage	Total
£18,259	£75,420	£36,741	£130,420

3.3 The Corporate Fleet Section of City Development secured one-off funding towards electricity costs for 2019/20 through Transport Scotland funding. Funding of £51,246 has been received towards Distribution Network Operator (Scottish Southern Energy) capacity costs and a further £50,000 has been provided to support phased introduction of the charging scheme. At the present time, there is no indication that further non-recurring grants will be secured in 2020/21

4 BACKGROUND

4.1 The Scottish Government recently announced the target of “phasing out the need for new petrol and diesel cars by 2032”. According to the Department for Transport there were 8,869 electric vehicles registered in Scotland at the end of 2018, however this only equates to 0.3% of cars in Scotland despite this being a 55% increase on the 2017 figures. So to meet the anticipated 36 million electric cars that are expected on the roads in the UK by 2040, there will

need to be a substantial increase in charging infrastructure as well as models of vehicles available.

- 4.2 The EV charging infrastructure in the city has continued to grow since it was first introduced in 2011, and the City's publicly available chargers consistently record the highest usage in Scotland. This results in significant expenditure for the City Council, and it has always been intended that charges should be introduced after an initial period.
- 4.3 Current electric vehicles presently have a higher initial capital cost when compared with alternative petrol/diesel power vehicles however recent statistics (shown below) obtained from a local taxi company highlight the operational fuel savings that can be achieved by switching to electric vehicles.

Taxi Fuel comparison	Annual Mileage	Av pence per mile	Fuel cost
Diesel/Petrol Car	50,000	0.17	£8,500
Electric (introduction of Tariff)	50,000	0.04	£2,000

5 INTRODUCTION OF TARIFFS

- 5.1 To ensure that Dundee is able to maintain and grow its charging infrastructure it is vital that we move towards a sustainable model which includes the introduction of charging tariffs. It is recommended that the tariffs are introduced gradually, with charges for business customers and non-residents being introduced first, and Dundee residents retaining subsidised charging as long as funding remains available to do this, to ensure that the accelerated switch to electric vehicles continues in the city.
- 5.2 The cost of running and maintaining a charging network comprises a number of different elements as detailed in the table below. All current infrastructure is covered by a maintenance and warranty package up to the end of 2022.

Element	Price/%	Funding 2019/20
Electricity Cost	Average 12p per kWh	Customers & TS & DCC
DNO Capacity Charges	5.4p per KVA per day	Transport Scotland
Back Office Admin Fee	3.7%	Transport Scotland
Transaction Fee	£0.36 per transaction*	Customer
Banking Fee	2.95%	Customer
Merchant Fee	1.5%	Customer
Maintenance Costs	Variable	Transport Scotland

- 5.3 It is proposed to introduce tariffs from 1 November 2019 for business users and non-residents as per the table below. The tariffs for future years will be determined by the grant funding available and the current electricity costs and fixed charges; these will be reviewed as market conditions dictate by the Executive Director of City Development.

Period	Tariff (Inc VAT) Per kWh	Fixed Charge (Inc VAT and fees) per transaction	Dundee Residents Discount
1/11/19 – 31/3/20	15p	38p	100%

- 5.4 Funding from Transport Scotland was received in 2019/20 to support further public adoption of electric vehicles and is being used as set out in Section 3 to provide free charging to members of the public. This will vary in subsequent years depending on the availability of financial support from Transport Scotland.
- 5.5 The public discount scheme will be operated through a registration process managed by the Corporate Fleet Section. The scheme will require members of the public to provide their vehicle registration information confirming they own either a plug-in hybrid or fully electric car. Where this vehicle is leased or hired from a third party official confirmation documentation would be required. If eligible a new swipe card will be issued against the vehicle registration for use during the duration of the scheme. Monthly monitoring will ensure terms and conditions of the scheme are adhered to.

7 POLICY IMPLICATIONS

- 7.1 This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. A copy of the Impact Assessment is available on the Council's website at www.dundee.gov.uk/jia/reports.

7.2

8 CONSULTATIONS

- 8.1 The Council Management Team were consulted in the preparation of this report. Prior to implementing charging tariffs, consultation of a variety of electric vehicle stakeholders were held that included Transport Scotland, EVA Scotland and all members of the Council taxi liaison Committee.

9 BACKGROUND PAPERS

- 9.1 None.

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26 August 2019

