
**Decision Session – Executive Member for
Transport**

18 October 2022

Report of the Corporate Director of Place
Portfolio of the Executive Member for Transport

EV Charging Tariff Review October 2022

Summary

1. Tariffs for using the City of York Public Charging Network are currently:
 - Fast charging (7kW) - £0.20 per kWh
 - Rapid and ultra-rapid charging - £0.25 per kWh
2. Charging tariffs are reviewed annually in April, but the recent unprecedented increase in energy costs warrant an interim review of tariffs to ensure that network operating costs are met.

Recommendations

3. The Executive Member is asked to:

Approve Option 2 - Set the EV charging tariffs to:

Fast charging (7kW): £0.35 per kWh
Rapid and Ultra-Rapid: £0.46 per kWh

4. Delegate authority to the Director Environment, Transport and Planning in consultation with the Chief Finance Officer to make future tariff changes without a decision session, and to authorise any necessary legal documentation (or amendments to existing documentation) to effect any such changes to the tariff.
5. Reason: The proposed new tariff covers all anticipated running costs for the EV charging network, meets all the objectives set out in the EV strategy and complies with ERDF funding conditions.

6. Delegating this authority to the Director Environment, Transport and Planning in consultation with the Chief Finance Officer will allow charging tariffs to be quickly adjusted in response to changing energy costs.

Background

7. York's Public EV Charging Strategy was approved in March 2020 and sets out the factors to be considered in setting reasonable tariffs for charging:
 - Day to day operation of the network is to be funded by users through a standard tariff which is reviewed annually.
 - The tariff includes the cost of electricity (including standing charges for electricity supply), back-office fees, banking fees and merchant fees.
 - The network is adequately funded to enable effective maintenance, and when required, expansion and renewal of chargepoints.
 - The tariff for Rapid and Ultra-Rapid charging is higher than the tariff for Fast chargers, to reflect the increased cost of the infrastructure and higher operational costs.
8. This approach also complies with conditions in the ERDF funding agreement for the Monks Cross and Poppleton HyperHubs, which stipulates that "we do not produce a net income/benefit" from the operation of the HyperHubs over an agreed period of time.
9. Tariffs were last reviewed in April 2022 and are currently set at:
 - Fast charging (7kW): £0.20 per kWh
 - Rapid and ultra-rapid charging: £0.25 per kWh
10. Recent increases in electricity prices require an interim review of charging tariffs, with the new tariffs being applied from October 2022.
11. Executive March 2020 agreed to a standard tariff of £0.20 per kWh for Fast chargers and £0.25 per kWh for Rapid and Ultra Rapid chargers, to be reviewed on an annual basis as part of budget setting.
12. Given the potential for changes to energy costs via the introduction of government support for business energy costs it is important that tariff setting remains under review in line with the Public EV Charging Strategy. This is to ensure that the council is not

subsidising EV users or making a profit that would be counter to the ERDF funding obligations. It is recommended that the responsibility for price setting is delegated to the Director of Transport, Environment and Planning in consultation with the Chief Finance Officer. Any price changes will be subject to an officer decision.

Consultation

13. Creation of the EV Charging Strategy was informed by taking on board input and requests from residents and users of the existing network who regularly contact the Council with issues and suggestions. Informal meetings with residents were also carried out to influence the strategy.
14. In addition, extensive engagement with industry partners, such as the Energy Saving Trust and other Local Authorities around the country influenced the strategy.
15. The strategy did not propose a public consultation at each tariff review point, and therefore a public consultation has not been undertaken in relation to this report.
16. Consultation with internal and external partners has been carried out to ensure the tariff proposals contained within this report are appropriate. Equality considerations have been taken into account when creating this report, and these are included within Annex A.

Options

17. The Executive Member is asked to choose one of the following options:

Option 1: Do not change the existing tariffs.

- Fast charging (7kW): £0.20 per kWh
- Rapid and ultra-rapid charging: £0.25 per kWh

Option 2: Approve the proposed charging tariffs of:

- Fast charging (7kW): £0.35 per kWh
- Rapid and ultra-rapid charging: £0.46 per kWh

Analysis

18. Option 1: Do not change charging tariffs.

Tariffs would remain at the current price of:

- Fast: £0.20 per kWh
- Rapid and Ultra-Rapid: £0.25 per kWh

19. The existing charging tariffs would continue to be applied. A further tariff review would be conducted in April 2023. Due to the unprecedented increase in energy prices, this option would not cover the day to day running costs of the EV network. Officers do not support this option as it would expose the Council to financial risk.

20. Option 2: Implement the proposed charging tariff:

Tariffs would be increased to the new price of:

- Fast: £0.35 per kWh
- Rapid and Ultra-Rapid: £0.46 per kWh

21. The following factors have been considered when arriving at the proposed tariff:

- Electricity Day Rate
- Electricity Off-Peak Rate
- Standing charges for electrical connections to each charging site.
- Green Levy.
- Annual maintenance costs as defined in contracts with BP Pulse and Evo Energy.
- Annual back-office costs as defined in the contract with BP Pulse.
- Transaction fees as defined in the contract with BP Pulse.
- VAT paid at 20% rate

22. The following factors have not been incorporated into the proposed tariff:

- £10 Overstay penalty charges
- Electricity generated from on-site solar PV
- Exported Electricity
- Grid frequency response revenue

23. The solar and battery infrastructure at the HyperHubs have broadly been operating in line with expectations. However, they have

not been operating long enough to collect sufficient data to allow a reliable calculation of figures. This element will be incorporated into the next tariff review process.

24. Similarly, those other factors excluded from the calculation relate to elements which have not been operating long enough to allow for reliable data collection. Again, these elements will be incorporated into future tariff reviews.
25. The new tariff would be applied as soon as practically possible following the decision and would subsequently be reviewed in April 2023. This tariff meets all the objectives set out in the EV strategy and will cover day to day running costs for the remainder of the financial year.
26. Deciding to delegate future tariff changes to the Director for Environment, Transport and Planning will ensure that changes can be made quickly enough to react to changes in energy costs.

Council Plan

27. The proposal relates to the following outcomes and key performance indicators set out in the Council Plan 2019-2023 (Making History, Building Communities)
28. A Greener and Cleaner City:
 - Citywide KPI on air quality
 - Carbon emissions across the cityProviding reasonably priced EV charging for residents and visitors supports the uptake of electric vehicles which will in turn improve air quality and reduce carbon emissions.
29. Getting Around Sustainably
 - Continue to expand York's electric vehicle charging point network, including the construction of hyper hub facilities.Ensuring that the day-to-day running costs of the EV network are met by user tariffs will ensure that the EV network and HyperHubs continue to be well maintained and operational.
30. An Open and Effective Council
 - Forecast budget outturn (£000s Overspent / -Underspent)

Adjusting EV charging tariffs in response to recent changes in energy prices will ensure that the Council's EV network remains cost neutral.

Implications

Financial

31. Option 1 – If prices were maintained at their current level there would be a shortfall in the income required to cover the operating costs of the EV charging facilities. This option cannot be agreed without identifying a budget that could cover these costs as there is no existing budget provision.

32. Option 2 - The proposed tariffs are set in order to recover the estimated costs of EV charging facilities including energy, maintenance and system costs. The charges are set relative to the costs incurred for each charging type. The methodology used to calculate the tariffs also meets the requirements of the ERDF to ensure there is no clawback of the grant funding. The costs and income will be kept under review to ensure the position remains cost neutral with tariff alterations as required. Based on current data the estimated monthly income from EV charging is £28k which will be used to fund the associated direct costs.

Human Resources (HR)

33. There are no HR implications

Equalities

34. The Council recognises its Public Sector Equality Duty under Section 149 of the Equality Act 2010 (to have due regard to the need to eliminate discrimination, harassment, victimisation and any other prohibited conduct; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it in the exercise of a public authority's functions). There are no equalities implications identified in respect of the matters discussed in this report. Any consultation on the recommendations in this report will identify any equalities implications on a case-by-case basis and these will be addressed in a further report if necessary.

Legal

35. It is recommended that any funders such as the ERDF and YNYLEP are contacted forthwith regarding the proposed changes to the tariff and that the Legal Services team be instructed in due course should any existing grant funding agreements need to be amended as a result of the change. The proposed changes to the existing tariff are designed to ensure the Council's operation and maintenance costs for the chargers can continue to be met, without creating any deficit or profit for the Council, and to ensure the tariff remains at a competitive market rate whilst not providing any subsidy or advantage to any third party. As such, there should be no concerns regarding the Subsidy Control Rules with the proposed change, but Legal Services should be consulted with and reserves the right to advise further on this point at a later date should circumstances change that give rise to any doubt about the impact the Subsidy Control Rules may have on the change to the tariff.

Crime and Disorder

36. There are no Crime and Disorder implications

Information Technology (IT)

37. There are no IT implications

Property

38. There are no property implications

Other

39. There are no other implications

Risk Management

40. Risks are managed in line with the Corporate Risk Management Policy.
41. A decision to not increase the tariffs in line with the report recommendation is likely to result in financial risks relating to budget deficits.

Contact Details

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Report Date 29/09/2022
Approved

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Wards Affected:

All

For further information please contact the author of the report

Background Papers:

City of York Council Public EV Charging Strategy 2020 - 2025

Annexes

Annex 1 - Equality Impact Assessment October 2022

List of Abbreviations Used in this Report

EV – Electric Vehicle
PV - Photovoltaic
ERDF – European Regional Development Fund
YPO – Yorkshire Purchasing Organisation
kWh – kilowatt hour