
**Decision - Director Environment, Transport
and Planning**

14th June 2023

EV Charging Tariff Review June 2023

Summary

- 1) Charging Tariffs are reviewed annually to adjust for changes in energy prices.
- 2) In October 2022, the Executive member for transport delegated authority to change charging tariffs to the Director Environment, Transport and Planning in consultation with the Chief Finance Officer.
- 3) Tariffs for using the City of York Public Charging Network are currently:
 - Fast charging (7kW) - £0.35 per kWh
 - Rapid and ultra-rapid charging - £0.46 per kWh

Recommendations

- 4) The Director is asked to:

Approve Option 2 - Set the EV charging tariffs to:

- Fast charging (7kW): £0.39 per kWh
- Rapid and Ultra-Rapid: £0.59 per kWh

- 5) Reason: The proposed new tariff has been assessed using the method approved by the Chief Finance Officer in October 2022. The 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.

Background

- 6) 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.
 - 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.
- 7) 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.
- 8) Tariffs were last reviewed in October 2022 and are currently set at:
 - Fast charging (7kW): £0.35 per kWh
 - Rapid and ultra-rapid charging: £0.46 per kWh
- 9) Annual changes to the cost of electricity came into effect in April 2023.
- 10) Executive March 2020 agreed to review charging tariffs on an annual basis as part of budget setting.
- 11) It was decided in October 2022 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

- 12) 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.
- 13) In addition, extensive engagement with industry partners, such as the Energy Saving Trust and other Local Authorities around the country influenced the strategy.
- 14) 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.

Options

- 15) The Director is asked to choose one of the following options:

Option 1: Do not change the existing tariffs.

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

Option 2: Approve the proposed charging tariffs of:

- Fast charging (7kW): £0.39 per kWh
- Rapid and ultra-rapid charging: £0.59 per kWh
- The tariff change would be implemented as soon as possible following the decision.

Analysis

- 16) **Option 1:** Do not change charging tariffs.

Tariffs would remain at the current price of:

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

- 17) The existing charging tariffs would continue to be applied. A further tariff review would be conducted in April 2024. Due to the

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.

18) **Option 2:** Implement the proposed charging tariff:

Tariffs would be increased to the new price of:

- Fast: £0.39 per kWh
- Rapid and Ultra-Rapid: £0.59 per kWh

19) 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

20) 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

21) The solar and battery infrastructure at the HyperHubs have been operating in line with expectations. Self-consumption of the PV generated electricity varies, but our operational data to date shows that around 70% of electricity produced is either used directly in a charging process or stored in the battery for later use. An allowance for this has been included in this tariff review and the EV team will continue to monitor PV and battery use closely.

22) The new tariff would be applied as soon as practically possible following the decision and would subsequently be reviewed in April 2024. 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.

Council Plan

23) The proposal relates to the following outcomes and key performance indicators set out in the Council Plan 2019-2023 (Making History, Building Communities)

24) *A Greener and Cleaner City:*

- *Citywide KPI on air quality*
- *Carbon emissions across the city*

Providing 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.

25) *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.

26) *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

27) 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.

28) 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.

- **Human Resources (HR)**

29) There are no HR implications

- **Equalities**

30) 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**

31) 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**
32) There are no Crime and Disorder implications
- **Information Technology (IT)**
33) There are no IT implications
- **Property**
34) There are no property implications
- **Other**
35) There are no other implications

Risk Management

- 36) Risks are managed in line with the Corporate Risk Management Policy.
- 37) 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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Background Papers:

City of York Council Public EV Charging Strategy 2020 - 2025

List of Abbreviations Used in this Report

EV – Electric Vehicle

PV - Photovoltaic

ERDF – European Regional Development Fund

YPO – Yorkshire Purchasing Organisation

kWh – kilowatt hour