

Report

City of Merritt
REGULAR Council Meeting
June 16, 2020

File Number: 2240.92

To: Scott Hildebrand, Chief Administrative Officer
From: Greg Lewis, Deputy Corporate Officer
Date: June 9, 2020
Subject: DCFC Handover

RECOMMENDATION:

THAT Council agrees to enter a ten year licence of occupation with BC Hydro;

AND THAT the Mayor and the Chief Administrative Officer be authorized the sign the agreement on behalf of the City.

Background:

In April 2013, the City of Merritt entered into a five year agreement with BC Hydro for the lease of four DC Fast Chargers.¹ These would be located at the Baillie House, Civic Centre, and at Wagon West at 3999 Airport Road.² These were later supplemented at City Hall.

This was part of an effort to roll out Electrical Vehicle (“EV”) charging stations across British Columbia. With Merritt’s location at the north end of phase 1 of the Coquihalla Highway, it was and remains a strategic location for EV charging.

The financial impact on the City was minimal; the installation cost of \$16,000 was funded by a Fraser Basin Council grant, which Council resolved to accept at the same meeting.³ The contribution from the City was described at the time as being in-kind staff time. For ongoing costs, the lease was a nominal \$1/month, and the City pays the

¹ Resolution 084/13, April 23rd 2013.

² Agenda 23rd April 2013, City of Merritt Council Meeting, at 122.

³ Resolution 085/13, *supra* note 1.

electrical costs.⁴ The Agreement was scheduled to run for five years, and in 2018 it rolled over to a month-to-month agreement.

The termination clause allows, following the initial term, either party “to terminate this Agreement for any reason whatsoever on not less than one full calendar month’s written notice to the other Party.”⁵

BC Hydro now wish to operate their own network, and as such have provided the City with written notice of termination of the Agreement.

As BC Hydro have acted within the scope of the contract, Council is not in a position to decline their termination. However, BC Hydro have proposed that the Charging stations remain physically in place, and has requested to enter into a Licence of Occupation with the City for ten years, covering the chargers located on City property.

Retaining the chargers in place would allow for the benefits of EV car charging to remain at its current level in Merritt. Although figures provided by BC Hydro indicate that these chargers are only lightly used, there is no obvious advantage to disposing of them. There are few alternative uses to which the land could be put by the City.

BC Hydro have requested a ten year licence of occupation, which would be extended if any additional chargers are installed to ten years after the installation of the final charger. Although this is a longer commitment than the initial five year lease the City entered into, the program has now been running for 7 years, and the long-term stability could encourage EV car adoption, with a stable charger network helping to counter “range anxiety” among drivers.

Financial / Risk Implications:

The financial implications are very limited, ending a \$1/month commitment per charger, and terminating the City’s control over equipment which we received a grant to install.

If the City enters into the Licence of Occupation, BC Hydro would take on all operating and maintenance costs of the chargers.

If Council does not authorize staff to work with BC Hydro to ensure a smooth changeover, public access to the charging network could be disrupted.

Respectfully submitted,

Greg Lowis
Deputy Corporate Officer

⁴ *Supra* note 2 at 100.

⁵ DCFC Equipment Lease Agreement with BC Hydro, 4(c).