

Council Business Meeting

June 2, 2020

Agenda Item	Zero Emission Vehicle Innovation Fund Grant Application Request	
From	Stu Green	Climate and Energy Analyst
Contact	stu.green@ashland.or.us ; (541) 552-2085	

SUMMARY

Staff request the Council's approval to apply for the Bonneville Environmental Foundation (BEF) Zero Emission Vehicle (ZEV) Innovation Fund. This grant application will seek \$50,000 to support the City's existing electric vehicle incentives as well as provide funding to pilot a new electric bike incentive.

POLICIES, PLANS & GOALS SUPPORTED

- 2019-21 Council Goal 2.B.A – Value Services: Emergency Preparedness, Address Climate Change
- 2017 creation of AMC 9.40 Climate Recovery
- 2017 Ashland Climate and Energy Action Plan
 - CEAP Goals
 - Overall Goal 1: Reduce Community GHG Emissions.
 - ULT Goal 1. Reduce transportation GHG emissions
 - ULT Goal 2. Reduce community & City employee vehicle miles travelled.
 - ULT Goal 3. Improve vehicle efficiency and expand low-carbon transport, including within the City's fleet.
 - ULT Goal 4. Support local and regional sustainable growth.
 - PHSW Goal 1. Protect public health from air pollution and climate impacts.
 - CEAP Actions
 - BE-1-2. Promote switching to lower-carbon fuels.
 - ULT-1-4. Evaluate the feasibility of expanded local transit options.
 - ULT-2-1. Implement bicycle- and pedestrian-friendly actions in the City's Transportation System Plan and Downtown Parking Management Plan.
- 2015-17 Council Goal 22.1 – Develop and implement a community climate change and energy plan

PREVIOUS COUNCIL ACTION

- [March 19, 2019 Business Meeting](#) - Approval of Resolution 2019-02 adopting the City Council's 2019-2021 Biennial Goals
- [Sept 19, 2017 Business Meeting](#) – Approval of Ordinance No. 3145 – An Ordinance Establishing Greenhouse Gas and Fossil Fuel Reduction Goals and Targets for Community and City Operations; creates AMC 9.40 Climate Recovery
- [March 17, 2017 Business Meeting](#) – Acceptance of Ashland Climate and Energy Action Plan.

BACKGROUND AND ADDITIONAL INFORMATION

City of Ashland supports transportation electrification as a key climate action strategy. The City has internal policies in place to support the transition to low-carbon and zero-emission vehicles. The City has offered several incentive programs to support community vehicle electrification. Staff developed and implemented several electric vehicle incentive programs between 2018-2020 ([1](#), [2](#), and [3](#)). The EmpowerEV 2020 is Ashland's latest ZEV-related incentive program and the first to support lower-cost electric vehicles.

The Bonneville Environmental Foundation (BEF) seeks to support the development of and access to zero emission vehicles (ZEV) within utility territories served by Bonneville Power Administration (BPA). In order to catalyze development of ZEV projects, BEF is intending to provide grant funds directly to utility applicants, which are not to exceed \$50,000 per proposal, and approximately \$200,000 in total awards. Projects that increase ZEV access to underserved communities will be given preference.

City of Ashland Staff developed a \$50,000 project proposal ‘EmpowerEV 2020’ which supports the adoption of affordable electric vehicles and electric bikes. The Ashland project has been selected to submit a full proposal to BEF.

Per Administrative Policy 11-01.04, Staff are required to seek Council approval for grant applications in excess of \$25,000. Additional grant details are provided below.

1. Grant source: Bonneville Environmental Foundation
2. Name of project to be funded: EmpowerEV 2020
Expenditure to be funded: \$50,000
3. Time frame for project expenditure: Grant funds are planned to be expended within 12 months of award.
4. Amount of matching expenses: Not to exceed \$70,000
Source of matching expenses: Electric Utility (via Oregon Clean Fuel Program revenue)
5. Anticipated impact on current budget: A Supplemental Budget Amendment for the Electric Utility is expected in mid-2020, which will allocate the required matching funds. If awarded, the grant will be used to augment these funds.
Anticipated impact on future budgets: There are no anticipated negative impacts on future budgets. Nearly all electrification measures have a positive return on investment (ROI). Initial assessments of the new EmpowerEV 2020 vehicle incentive project a 61 percent ROI in year five. Future electric sales increase revenue to both the electric utility fund and general fund.
6. Restraints, stipulations, requirements of grant: No relevant constraints for this project proposal. For reference, the full list of eligibility criteria is in the attached application form.
7. Deadline for application: 30 June 2020
Anticipated award date: To be announced, likely Fall 2020.

FISCAL IMPACTS

The ZEV grant will have two primary fiscal impacts:

- Funds will be available to increase City of Ashland electric vehicle initiatives, and
- Funds will be available to pilot a new electric bicycle incentive program.

There is no cost to apply for the ZEV grant other than nominal Staff time to assemble the application. A recent draft of 2020 EV incentive programs are conservatively projects a full payback plus 18 percent return by year three of the program.

This grant award will also have beneficial impacts by:

- Increasing electric utility sales,
- Increasing revenue from Oregon clean fuel programs,
- Decreasing greenhouse gas emissions,
- Increasing equitable transportation options,
- Improving local air quality,
- Increasing bicycling mode share,
- Decreasing downtown traffic congestion, and
- Supporting local e-bike sales.

STAFF RECOMMENDATION

Approve staff request to apply for the Bonneville Environmental Foundation Zero Emission Vehicle Innovation Fund.

ACTIONS, OPTIONS & POTENTIAL MOTIONS

I move to approve staff request to apply for the Bonneville Environmental Foundation Zero Emission Vehicle Innovation Fund.

REFERENCES & ATTACHMENTS

Attachment 1: Zero Emission Vehicle Innovation Fund Criteria

Attachment 2: City of Ashland Letter of Intent for BEF Zero Emission Vehicle Innovation Fund Memo

(note: The EmpowerEV 2020 program is referred to in this memo by a previous working name ‘Empower2’)



renewables
program

zero emission vehicle innovation fund

background:

The Bonneville Environmental Foundation (BEF) works to eliminate the barriers to widespread renewable energy adoption. Our renewable energy work is focused in the Pacific Northwest states of Washington, Oregon, Idaho, and western Montana.

As a part of this work, BEF seeks to support the development of and access to zero emission vehicles (ZEV) within utility territories served by Bonneville Power Administration (BPA). Projects must be related to one or more of the following Funding Categories.

In order to catalyze development of ZEV projects, BEF is intending to provide grant funds directly to utility applicants, which are not to exceed \$50,000 per proposal, and not to exceed \$200,000 in total awards. Projects that increase ZEV access to underserved communities will be given preference.

innovation funding categories

infrastructure:

Development of infrastructure that enables or includes the implementation of level 2 charging at multifamily, workplace, or destination locations. Projects must address community needs or increase equitable access for underserved communities.

community engagement:

Projects that include ZEV adoption programs, dealership engagement, or campaigns that boost the growth of ZEVs.

smart charging:

Projects that include implementation of demand shifting related to ZEVs, rebates for ZEV Demand Response (DR) programming, or installation of infrastructure that enables implementation of DR with ZEVs.

other:

Ideas that do not fall within the previous listed categories but provide creative solutions to increasing equitable adoption of ZEVs and the benefits they may bring to utilities.

funding priorities

Projects with the following elements will receive ranked preference within the review process.

1. Increases equitable access to ZEVs
2. Promotes innovation through helping utilities overcome awareness, engagement, and ZEV adoption barriers
3. Contains the potential for replicability
4. Promotes current or future Smart Charging
5. Inclusion of match funding that exceeds the required amount
6. Proposals to return revenue or Clean Fuels Credits to BEF

submission, review & decision process

BEF will accept letters of inquiry that contain brief project proposals. Letters must be submitted by end of the day on April 17th, 2020 to zev@b-e-f.org in PDF or Word form. Projects that fit within a funding category and meet both the Eligibility and Technical criteria will be invited to submit a full application. For invited applicants, full applications are due by end of the day on June 30th, 2020 to zev@b-e-f.org in PDF or Word form.

Project grant funding will be allocated on a competitive basis and is subject to BEF's review, budget, selection process, and sole discretion. Funding is not guaranteed with submission of either the Letter of Inquiry or Full Proposal.

eligibility criteria

- Applicants must be preference utility customers of the Bonneville Power Administration (BPA)
- Projects must propose solutions that have the potential to increase ZEV adoption and utilization within BPA preference utility territories
- Projects that address the needs of underserved communities are preferred. These communities include but are not limited to: low-income individuals; communities of color; immigrants; non-English speakers; the long-term unemployed; communities with limited access to transportation options; women and girls; veterans; senior citizens; people with disabilities; and members of the LGBTQ+ community. Additional communities that have been underserved by access to ZEVs include but are not limited to: residents of multi-family housing; and areas with a low density of public charging stations
- Grants will be awarded for up to 75% of project cost
- Projects that will be implemented within 12 months of the award notification are preferred



loi submittal

An LOI must be submitted and selected by BEF to proceed with the full application.

Project teams must submit a 1/2 - 1 page summary that includes:

Background

- Utility Name
- Project Location, provide support for property owner if applicable
- Selected Funding Category(ies)
- Utility's history with ZEVs

Project Description and Goal

- Provide a brief description of the proposed project including how project provides benefits to all utility customers
- Describe how the proposal aligns with BEF's funding priority(ies)
- Describe the projected scope of the project and the projected budget

loi evaluation criteria

- How well does the proposed project align with the Funding Categories and Priorities?
- Is the project goal clear and compelling?
- How does the project help the utility and/or community overcome barriers to ZEV growth?
- Is there support from the property owner?
- How well does the project provide benefits to utility customers including those from underserved communities?

For questions regarding Letters of Inquiry, please email us at zev@b-e-f.org



Memo

TO: Evan Ramsey, Bonneville Environmental Foundation
FROM: Stu Green, City of Ashland
DATE: 15 April, 2020
RE: City of Ashland Letter of Intent for BEF Zero Emission Vehicle Innovation Fund

Dear Evan and BEF team,

City of Ashland is pleased to present this Letter of Intent for the 2020 ZEV innovation fund program. City of Ashland seeks \$50,000 in ZEV innovation funding to match the City's upcoming electric transportation program called, Empower2.

What is the Empower 2 program?

The Empower2 program supports EV adoption of affordable EV options in Ashland.

Why is this program important?

Empower2 makes electric vehicles more attainable for income-limited residents. In 2018 Ashland designed and successfully piloted the 'EmpowerEV' program. The pilot program supported more than 34 Ashland families and businesses in the adoption of electric vehicles and chargers. The Empower2 program incorporates all of the lessons learned in previous efforts. Ashland is a nexus of regional electrification, but vehicle electrification has been inaccessible for many income limited families.

How will this program have an impact?

The Empower2 program is designed to have several specific impacts:

- Enable EV adoption among income-limited residents
- Provide larger incentives per household than past programs
- Compliment the State of Oregon Charge Ahead EV rebate
- Exclude sale of luxury BEVs
- Create additional revenue for municipal electric utility
- Have a positive return on investment
- Lower barriers to equitable electric transportation options
- Expand non-car mode-share in Ashland



Using a \$50k award, City of Ashland will allocate \$35,000 to support our newest community electric vehicle incentive and \$15,000 to pilot a new e-bike incentive program.

How does Empower2 work?

The Empower2 program highlights two affordable electric transportation use cases – lower cost BEVs and electric bicycles. City of Ashland residents may choose one of two options to incentive options:

- 1. BEV incentive (\$1,000-1,500)** - Purchase a new or used BEV for less than \$30,000 at an Oregon dealership.
 - Resident purchases electric vehicle, completes vehicle registration, and then fills out online incentive application.
 - City of Ashland processes application using existing process.
 - City of Ashland sends \$1,000 incentive (derived from City Clean Fuel revenue),
 - City of Ashland includes +\$500 bonus incentive for the first 70 applications (BEF contributes \$35,000).
 - Incentive eligibility
 - Available to Ashland Electric customers.
 - New or used vehicles are eligible.
 - Vehicle price must not exceed \$30,000.
 - Vehicle must be purchased at Oregon car dealership.
 - Vehicle must be listed on " Oregon Clean Vehicle Rebate Program Charge Ahead Vehicle Eligibility List"(<https://www.oregon.gov/deq/aq/programs/pages/zev-rebate.aspx>).
 - Vehicle must be registered at Ashland Electric Utility address.
 - City of Ashland may provide additional funding for low-income applicants (pending funding).

- 2. E-bike incentive (\$300)** - Purchase an electric assisted bicycle at a participating bike shop within City of Ashland.
 - City of Ashland identifies participating local bike shops and provides them with incentive vouchers.
 - Resident purchases e-bike at local bike shop and receives incentive voucher from shop.
 - Community member fills out voucher and submits information to City of Ashland.
 - City of Ashland processes vouchers.
 - City of Ashland sends residents \$300 incentive. (BEF contributes \$15,000 to fund the first 50 incentives; if incentive is successful, City of Ashland will assume incentive payments using Clean Fuel Revenue).
 - Incentive eligibility
 - Available to Ashland Electric Customers.
 - Only new e-bikes are eligible.
 - E-bike price must not exceed \$3,000.
 - E-bike must be purchased at participating local bike shop.
 - E-bike must meet Oregon definition of “Electric assisted bicycle”. ([2017 ORS 801.258](#))
 - E-bike must be intended for use of utility customer household.



Why choose Ashland for this award?

City of Ashland is a full-requirements utility with a long history of innovative public incentive programs. Our community is a leader in transportation electrification, yet there are still segments of our community that have been unable to realize the benefits of clean transportation. Ashland would be proud to collaborate with BEF on new ways to advance more equitable transportation programs. Our future incentive program is still under development and we are willing to modify details of the proposal.

We hope to work together with you to fashion the most effective and mutually beneficial program possible. Thank you for your support of community transportation projects.

Sincerely,
Stu Green, Climate and Energy Analyst
City of Ashland

