

**Board Report**

File #: 2025-0005, **File Type:** Policy**Agenda Number:** 24.

**EXECUTIVE MANAGEMENT COMMITTEE
FEBRUARY 20, 2025****SUBJECT: ELECTRIC VEHICLE CHARGING POLICY****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

ADOPT Metro Electric Vehicle (EV) Charging Policy (Attachment A).

ISSUE

Metro's existing electric vehicle service equipment (EVSE) inventory includes 108 Level 2 EVSE units, 103 of which are currently installed and active across several Metro operating divisions and park-and-ride facilities. This network will grow to as many as 3,000 chargers over the next five years. Metro owns and operates these EVSE for charging across three use-types: 1) employee charging, 2) non-revenue fleet charging, and 3) public charging (including park-and-rides).

This EV Charging Policy clarifies and standardizes Metro's practice for operating and maintaining its growing EVSE network, as well as specific use and pricing requirements to which EVSE users must adhere.

BACKGROUND

Metro has been working to create a more environmentally sustainable, equitable, and resilient public transportation system. Metro's commitment to climate action and resilience is included in several planning documents, including but not limited to its 10-year Sustainability Strategic Plan, *Moving Beyond Sustainability* (MBS); its 2019 *Climate Action and Adaptation Plan* (CAAP); the *Customer Experience Plan*; and the *Long-Range Transportation Plan* (LRTP). Providing a low-carbon fuel mobility alternative through the use of EVs is a component of these plans.

Fleet electrification is a critical step for Metro to achieve a 79% reduction in GHG emissions by 2030 (from 2017 levels) and to eliminate its GHG emissions by 2050. It is also critical to achieving criteria air pollutant reduction goals set forth in the *MBS*. To these ends, Metro has taken steps to procure new electric vehicles to power its non-revenue fleet: in 2024, Metro added 21 new EVs, with plans to procure approximately 150 new EVs in 2025.

Metro is also committed to reducing GHG emissions across our service region, including the promotion of the use of electric vehicles. Installation and ongoing operation of EV Chargers is an essential component of EV adoption. The regional availability of EV chargers must be in place to achieve successful growth in EV usage. In June 2022, the Board approved the 2023-2028 *Electric Vehicle Parking Strategic Plan* (EVPSP) as a strategic blueprint for sustainable, cost-effective, and efficient investments in EV charging infrastructure for our region.

DISCUSSION

A growing number of our employees and patrons are buying or leasing EVs. It is important that affordable EV charging remains an increasingly critical resource for employees and riders. As the state moves toward a complete ban on sales of new internal-combustion-engine-powered vehicles in 2035, this number will continue to grow.

Outlined in the Board adopted Electric Vehicle Parking Strategic Plan (2022) is Metro's plan to grow its network to as much as 3,000 chargers over the next five years. As this network grows, there needs to be two goals achieved:

- 1) standardization on the use of chargers through an agency-wide policy
- 2) a modernized fee structure that better aligns revenues and costs, meets state regulations and does not exceed average regional prices for EV charging

Meeting these goals through a Board-adopted policy will ensure that there is fair, equitable, and sustainable use of Metro's EV charging network both within the agency and across LA County. Furthermore, collection of appropriate charging rates will ensure that EV chargers are always available, reliable, equitable and affordable.

The EV Charging Policy contains the following:

1. Standards pertaining to the use and availability of public, employee, and non-revenue fleet EVSE.
2. Rules with respect to the duration of EV charging for short-term and long-term use.
3. Metro's rights and responsibilities with respect to updating established rates, operational control, and safety protocols for all Metro EVSE.
4. Rules and limitations with respect to misuse, misappropriation, liability and damages for all Metro EVSE.
5. Pricing for the general public and Metro employees that proposes a time-of-use fee structure.

The following table shows the current and proposed pricing structures, with estimated annual revenues and costs per EV charging parking space:

Rate	Pricing Structure	Driver Fee Revenue	Electricity and O&M Costs	Net Revenue (Cost)
Current Pricing	\$1/hour Capped at \$3	\$769	\$2,999	\$(2,230)
Proposed Time-of-Use	\$0.34/kWh Off-Peak (all other hrs) \$0.49/kWh Peak (10am – 8pm)	\$3,032	\$2,999	\$33

The peak (10 a.m. - 8 p.m.) and off-peak (8 p.m. - 10 a.m.) periods applied to the proposed pricing structure are based on the Los Angeles Department of Water and Power’s (LADWP) weekday Electric Time-of-Use Residential Rates. The periods are aligned with LADWP’s as they most closely reflect when employees and users charge their vehicles at Metro EVSE (i.e., during the day), and because most Metro EVSE fall within LADWP’s service area.

Additional details are also provided in Attachment B. Once established, staff intends to go back to the Board if any future changes to the rate are outside of a 20 percent marginal increase or decrease.

The EV Charging Policy itself is expected to have no impact on the accessibility and affordability of EVSE, though the pricing may do so. While the pricing change presents a nearly tripling of the cost to use a charging station, publicly available information suggests that the average cost to charge a vehicle in California is \$0.50/kWh, and across the Los Angeles region the price varies from \$0.25/kWh to \$0.59/kWh. The proposed update to \$0.34/kWh at off-peak hours and \$0.49/kWh at peak hours falls under the state average and well within the regional range, keeping charging with Metro EVSE affordable and accessible relative to other available EV Charging options in the region.

To operate and maintain our growing network of EVSE, Metro must also make sure that there is ongoing communication and collaboration between leadership, EV charging program managers, non-revenue fleet operations, employees and public users. This will ensure that Metro EVSEs are available, accessible and affordable. Metro intends to maintain open lines of communication between these parties to ensure that access to EVSE remains fair and uninterrupted.

Furthermore, Metro anticipates that demand for EV charging will grow significantly over the next 10 years; and that federal and state regulations will continue to evolve around increasing access to and affordability of EV charging. Metro commits to adaptability around the installation, siting and charging rates of all its public and employee EVSE to ensure that Metro remains compliant with federal and state regulation, as well as ensure that Metro’s EVSE network grows in a way that is cost-effective, equitable, and accessible to all who live, work, and play in LA County.

DETERMINATION OF SAFETY IMPACT

The approval of this recommendation will have a direct and positive impact to safety, service quality,

system reliability, performance, and overall customer satisfaction as the existing and new electric vehicle charging stations are installed, operated, and maintained.

FINANCIAL IMPACT

Adoption of the EV Charging Policy is expected to have a positive financial impact. The new pricing will significantly increase revenues per EVSE, allowing Metro to potentially break even on the costs to operate and maintain its EVSE network. This poses a significant improvement from the current pricing structure, which operates at a net loss. No additional funding is needed for this action.

As Metro's EVSE network grows, Metro will continue to report electricity generated by its EVSE to the California Air Resources Board (CARB) through the Low Carbon Fuel Standard (LCFS). This program issues monetary credits to those who dispense low-carbon fuels correlating to the amount of GHG emissions avoided by using that fuel relative to a conventional fossil fuel (e.g., gasoline, diesel). A growing network will correspond to increased revenues from the sale of LCFS credits generated by dispensing electricity as a fuel. Up to 80% of Metro's LCFS revenues are currently allocated to support the purchase of our zero-emissions bus fleet and related infrastructure.

The LCFS revenue will complement the Public & Employee Charging Pricing; and will allow Metro to potentially generate a positive net revenue from the operations and maintenance of its EVSE. Any positive revenue will be deposited into the General Fund and used to reinvest into future sustainability and resiliency projects through programs and funding administered through the Office of Sustainability.

EQUITY PLATFORM

This policy considers the importance of having competitive EV charging rates at Metro stations that are not disproportionately higher than alternatives available to LA County residents and Metro patrons. Metro is also evaluating the ability to link EV charging payment systems with Metro's TAP system and other payments, as well as the ability to provide discounted EV charging aligned with existing Low Income (LIFE) and Senior/Medicare/Customer with Disability programs.

Metro acknowledges that pricing determined by income status is a sensitive but necessary issue to address. Should future revisions to charging prices be needed, Metro will consider introducing a lower rate option to low-income users and coordinate with its operations and maintenance vendor to determine the best approach for offering more affordable charging rates to those who need them.

Metro will continue to site charging stations and grow its EVSE network with an equity-forward strategy. There are currently 108 EV chargers across the Metro system in 26 locations. The mix of locations include six Metro Bus and Rail Divisions where Non-Revenue Fleet are charged, and 20 public charging locations, specifically located at Metro Park and Rides. Metro's EV Parking Strategic Plan, approved by the board in 2022, also utilized state Disadvantaged Communities designations in its prioritization factors, prioritizing sites sited within Disadvantaged Communities to ensure customers in these communities benefit from access to EV charging infrastructure through the growth of Metro's EV charging network. Given that Metro Equity Focus Communities (EFCs) are defined by high rates of households without access to an automobile, this was not used as a prioritization metric

for the Plan, though an estimated 26% of charging ports would be deployed in EFCs.

Metro also conducted a demographic survey of current EV charging users in 2023 to better understand who uses and how customers experience the existing park and ride charging network. This survey results indicate that an estimated 40-50% of these users may live in, or within proximity to, an Equity Focus Community, based on their reported ZIP code. As noted, EFCs have high rates of households without access to an automobile. The survey also found that more than one in four users lack access to home charging, indicating park and ride charging provides a necessary source of charging access for those users. As EV adoption grows among residents living in multi-family buildings, which often lack charging access, locations like Metro's park and rides and workplaces can fill in as reliable charging locations, reducing barriers to EV adoption among these customers.

Additionally, the survey yielded several findings regarding demographics of EV charging users. Current Metro EV charging users:

- were more likely to identify as White/Caucasian and Asian/Pacific Islander than the general Metro ridership population, and less likely to identify as Hispanic/Latino or Black/African American than general ridership;
- were more likely to speak English at home, and less likely to speak Spanish at home compared to general Metro ridership;
- were more likely to be high-income (over \$100,000 household income) and less likely to be low income (less than \$50,000 household income) than general ridership; and
- were more likely to live in single-family detached homes and less likely to live in either small (2-4 unit) or large (5+ unit) multifamily buildings.

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

While this policy does not directly encourage taking transit, sharing a ride, or using active transportation, it is a vital part of Metro operations as it supports Metro's increasing share of electric non-revenue vehicles, encourages employees to use low-carbon alternatives like electric vehicles to travel to work, and enables Metro riders to use electric vehicles as a first-last mile solution by providing an increasing amount of EV charging options at Metro Park & Rides.

Because the Metro Board has adopted an agency-wide VMT Reduction Target, and this item generally supports the overall function of the agency, this item is consistent with the goals of reducing VMT.

*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

These recommendations support Metro Strategic Plan Goal No. 1.2.D) Improve connectivity to provide seamless journeys by improving Park & Ride experience for electric vehicle owners and providing charging access to those who lack access to home charging; 4) Transform LA County through regional collaboration and national leadership with partners to develop EV charging and help meet City and State initiatives to accelerate EV adoption through greater access to electricity as a transportation fuel; 5.7) Metro will build and nurture a diverse, inspired, and high-performing workforce by providing workplace charging to employees and supporting those who drive EVs or are interested in owning an EV but lack reliable locations to charge one.

These goals strive to position Metro to meet the MBS commitment of a 79% reduction in greenhouse gas emissions from internal operations by 2030. They also include measures to install EV charging stations at Metro facilities for employee commuter use.

ALTERNATIVES CONSIDERED

The Board of Directors may consider the following potential alternatives:

1. Reject adoption of this EV Charging Policy; or
2. Adopt this EV Charging Policy, but direct staff to revise its pricing recommendations.

Staff does not recommend rejection of either this policy or the proposed pricing. The policy provides standardization on the use of EV chargers agency-wide. Modernizing our fee structure better aligns revenues with costs, as well as ensures that Metro aligns with state regulations while offering competitive but equitable pricing with the regional market for EV charging.

NEXT STEPS

Upon Board adoption, the Office of Sustainability will work across internal departments and with external partners and stakeholders to help implement, communicate, and enforce the EV Charging Policy. The Office of Sustainability will periodically report on the progress towards meeting the goals of the policy.

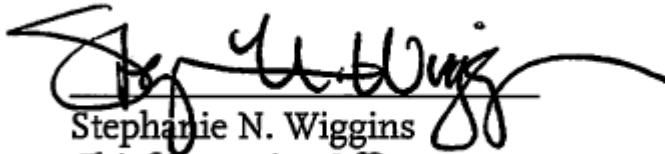
ATTACHMENTS

Attachment A - Electric Vehicle (EV) Charging Policy

Attachment B - Metro EV Charger Pricing Proposal and Details

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