

## 10.11.NSW Government EV charging grants

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<b>ATTACHMENTS</b>	Nil
<b>CSP LINK</b>	1. Our Living Environment 1.2 Environmentally sustainable community  2. Our Built Infrastructure 2.1 Infrastructure and assets meet diverse community needs

### PURPOSE:

The purpose of this report is to seek endorsement of an approach regarding the electric vehicle (EV) charge point operators who were recipients of the NSW Government EV charging grants for locations in North Sydney.

### EXECUTIVE SUMMARY:

- In November 2023, North Sydney Council provided letters of in-principle support to charge point operators who successfully applied for the NSW Government EV Fast Charging and Kerbside Grant programs. One of the conditions for this support was that, at this stage, this infrastructure be accommodated on Council carparks only.
- The successful charge point operators who obtained grant funding for EV charging in North Sydney are NRMA, EVIE, and ChargePost.
- There are 24 dual DC fast charging bays and 40 AC charging bays that have been proposed to be installed across 10 North Sydney Council carparks.
- The funding provided to the charge point operators for DC charging, which is significantly more expensive than AC charging, will facilitate a balanced mix of charging options in North Sydney that would otherwise not be commercially viable.
- As part of the key milestones for the EV charging grants, charge point operators are required to install 50% of the funded chargers by November 2024. All remaining EV charger installs are required to be installed by March 2025.
- Charge point operators have indicated that they will not be able to meet their grant milestones, will withdraw, or significantly reduce the number or EV chargers they will install, if they do not receive a commitment from Council to proceed or are required to be part of a Council expression of interest (EOI) process.
- There is a 40% reduction in funding available for the Round 2 NSW EV Kerbside grant program for charging locations in North Sydney compared to Round 1.

- Sydney-based Councils (Waverley, Hornsby, Randwick, Willoughby and others) have successfully facilitated the installation of EV charging infrastructure in their carparks without undue negative community feedback or financial / safety risks.

**RECOMMENDATION:**

- 1. THAT** Council support the use of Council land for the purposes of implementing the NSW Government grant funding to install EV chargers in North Sydney Council carparks
- 2. THAT** in the context of the challenging timelines associated with the EV Charging Grant Funding and the de-risking which has already occurred at State level to assess the successful grant applicants, that Council proceed to negotiating terms with NRMA, EVIE, and ChargePost regarding the installation of EV Charging in Council's carparks as outlined in this report.
- 3. THAT** the CEO be granted delegated authority to negotiate the terms of the installations, lease and other necessary arrangements for the EV charges in North Sydney Council carparks.

## Background

In 2022, the NSW Government released key strategic documents that aim to fast track the transition to Electric Vehicles (EVs) in NSW. Transitioning to EVs is a key action for the NSW Government in reducing carbon emissions and meeting net zero targets.

These documents, including the *NSW Electric Vehicle Strategy (2022)* and the *NSW Electric Vehicle Public Charging Master Plan (2022)*, act to guide the transition by incentivising uptake, through removing stamp duties, providing rebates, and developing a world class charging network supported through grant funding. Significant government investment has been allocated to competitive grant programs to assist in the transition and facilitate the installation of EV charging infrastructure, including the *NSW EV Fast Charging and Kerbside Grants programs*.

As a result of the State Government grants, coupled with North Sydney's listing in the *NSW Public Charging Masterplan* as a priority zone for EV charging infrastructure, Council was approached throughout 2023 by charge point operators (CPOs) seeking support to install charging infrastructure on public land in North Sydney.

In lieu of an adopted Council Policy, Council's Executive Leadership Team determined to support CPOs who met Council's criteria for installation in Council carparks only, with letters of in-principle support to seek EV grant funding. The supported proposals allow for the upgrade and expansion of chargers in Council carparks to meet community needs and growing demand, with installation in the public domain (e.g., kerbside) delayed until adoption of Council policy.

The table on the next page outlines the locations and number of charge ports approved for funding in the North Sydney LGA by the NSW Government for installation under the *NSW EV Fast Charging and Curbside Grants programs*. Council staff are currently conducting a needs analysis of the identified carparks to ensure the best fit between carpark users and charging types. This analysis includes data on usage patterns, permit types, and income generation.

Under this *Grants program*, it is noted that installation, operation, and maintenance is at no cost to Council, however there is an opportunity to generate income through leasing fees and revenue share arrangements.

The successful CPOs who obtained grant funding for EV charging in North Sydney are NRMA, EVIE, and ChargePost.

Grant	Applicant	Site Address – Carparks	Charge ports	Charger Type
NSW EV Fast Charging Grants	NRMA	Alexander St, Crows Nest (Woolworths)	8 (4 dual)	400kWDC
NSW EV Kerbside Grants	ChargePost	Ward St, North Sydney	16 (8 dual)	22KW AC
		Hipwood St, Kirribilli	2 (1 dual)	22KW AC
		Holterman St, Crows Nest	12 (6 dual)	22KW AC
		Nicholson St, Wollstonecraft	4 (2 dual)	22KW AC
		Ridge St, North Sydney	2 (1 dual)	22KW AC
		Hume St, Crows Nest	2 (1 dual)	22KW AC
		North Sydney Council, Chambers carpark	2 (1 dual)	22KW AC
	EVIE	Ridge St, North Sydney	4 (2 dual)	75kW DC
		Parraween St, Cremorne	4 (2 dual)	75kW DC
		Miller Lane, Cammeray	4 (2 dual)	75kW DC
		Hume Street, Crows Nest	4 (2 dual)	75kW DC

Table 1. Successful NSW Government EV Grants for proposed public carparks in North Sydney

## Charge Point Operator Considerations

### Letters of support

Council provided in-principle letters of support to all three grant funded CPOs. NRMA was provided a letter of support in February 2023, and ChargePost and EVIE were provided letters of support in November 2023. The CPOs have proceeded with initial site inspections and engineering assessments, and have committed a significant amount of time and resources to scope their identified sites. NRMA estimates they have expended \$50,000 on the Alexander Street carpark project planning to date. The CPOs are seeking a commitment from Council to proceed before allocating further resources.

### Key Milestone Requirements

As part of the key milestones for the EV charging grants, CPOs are required to install 50% of the funded chargers by November 2024, with the remaining installations to be implemented by March 2025. The CPOs have indicated that they would not be able to meet the milestones if the project was delayed until 2025. This may result in a reduction in the number of chargers installed or a withdrawal of the CPOs from the grant project.

### EOI process

NRMA have indicated that they will not proceed with their grant to install eight DC fast charging bays, should they be required to respond to an EOI process, and they would withdraw from the grant-funded locations in North Sydney. ChargePost and EVIE have indicated that their ability to deliver the funded EV chargers to all approved locations in North Sydney would most likely be impacted and reduced should an EOI process be required.

Hornsby and Willoughby Council have chosen not to undertake an EOI process for EV charging locations funded by NSW Government EV charging grants. Both Councils were satisfied with the rigorous selection process, which includes vetting of financial, technology, safety, and project management capability, carried out by the NSW Government. Waverly, Randwick City, and Woollahra Councils required CPOs to submit an expression of interest but this proceeded any letters of support being provided to support their application for grant funding.

### Reduction in Grant Funding

There is a 40% reduction in funding available for the Round 2 NSW EV Kerbside grant for charging locations in North Sydney (\$6,000 per charge port, blue zone priority) compared to the Round 1 funded CPOs (\$10,000 per charge port). The reduction in funding will limit the opportunity for broad coverage of EV charging locations and the number of CPO applications in North Sydney.

The funding reduction in future grant rounds may impact the ability of CPOs to deliver a balanced mixture of EV charging types in North Sydney which will be crucial for the community to transition to net zero transport options. DC Chargers are more expensive and there are higher associated costs than AC chargers. The funding trend is likely to continue in further application rounds.

### Woolworths

NRMA was awarded a grant to install EV fast chargers at Alexander Street carpark, Crows Nest. Woolworths is the current tenant at this Council property and has raised concerns around the potential loss of three carparking spaces due to the installation of the fast chargers plus the increased traffic congestion. In recent correspondence, Woolworths has indicated a willingness to progress the discussions and cooperate on a way forward. The cooperation of

Woolworths may enable NRMA to reach their grant milestones and continue with their fast-charging grant.

NRMA advised that the proposed fast charging site will have the highest charging capacity and highest number of EV fast chargers (4 dual 400 kW DC) that have been installed in North Sydney LGA.

### Current Grant Funding

The current value of the awarded grant funding for the three CPOs to install EV charging infrastructure in North Sydney is approximately \$3.4 million. Delays may result in possible loss or reduction in funding for the CPOs as they will not be able to reach their installation milestones.

### **Council Considerations**

#### Fire

There has been no recorded spontaneous EV fires nor any recorded EV charging fires at carpark EV charging locations in Australia. EV Firesafe, Australia's leading research body on EV fires, stated that statistically, it is far more likely that a fire will occur in an internal combustion vehicle than an electric vehicle. Other Councils in NSW have adhered to EV Firesafe charging guidelines to best mitigate any risk of fire. The Insurance Council of Australia has stated that there is no increased risk of fire with road registered electric vehicles.

#### Insurance

Consultation with other Councils (Mosman, Hornsby, Willoughby, Randwick City, Waverly, and Woollahra) that have installed EV chargers in Council carparks, has revealed that there have been no change to their insurance premiums. Some Councils have worked with organisations such as EV Firesafe and their respective insurance companies, to investigate and mitigate any perceived risk.

Council's current insurance provider, Statewide Mutual, has indicated that they are satisfied with Council's EV charging risk profile that includes the EV chargers currently located in five Council carparks. There has not been any increase to Council's insurance premiums as a result of installing EV charging infrastructure. The insurance risk profile may change because of the installation of new EV charging infrastructure although Council's insurer is relatively tolerant of any EV charging risk.

#### Procurement

In the context of the challenging timelines associated with the EV Charging Grant Funding and the de-risking which has already occurred at State level to assess the successful grant applicants, it is recommended that Council proceed with negotiating terms with NRMA, EVIE, and ChargePost.

## Revenue

The proposed license fees for each CPO (\$2,000 per parking bay/annum) will cover potential loss in revenue from any loss of parking bays. Projections have shown that EV charging licensing costs will likely increase Council revenue, rather than representing a loss. Leasing fees are not proposed to apply to ChargePost installation as they will not be allocated any dedicated EV charging bays, and a loss of parking revenue will not apply. It is recommended that these details be refined under the delegated authority of the Chief Executive Officer.

## Carpark Utilisation

Council carparks are currently not at full capacity, and several are underutilised. The table below highlights the current use and capacity of each carpark currently proposed to install EV charging bays.

Peak Occupancy Rate %						
Car Park	Max Capacity	2020	2021	2022	2023	2024-Current
Alexander Street	289	91%	88%	89%	90%	89%
Holtermann St	207	81%	80%	80%	82%	82%
Hume St	351	71%	70%	70%	73%	72%
Nicholson St	116	46%	43%	45%	57%	48%
Ridge St	195	90%	88%	88%	90%	90%
Ward St	542	90%	89%	90%	90%	90%

Council	EV Chargers	EOI Tender	Fire	Insurance premium increase?	Community Consultation	Revenue	Policy
Waverly, Woollahra, & Randwick	NSW Govt Round 1 Grants 186 AC bays / 10 DC bays	Yes	Adhering to EV Firesafe Guidelines	No	Yes, extensive. 400+responses rec'd	Leasing & Ownership model	EV Infrastructure strategy / Notice of Motion
Mosman	4 existing Evie dual chargers / No Round 1 Grants	No	Reduced concerns in outdoor charging areas	No	No	First year free (pilot). Leasing.	No

Council	EV Chargers	EOI Tender	Fire	Insurance premium increase?	Community Consultation	Revenue	Policy
Hornsby	1 Evie dual charger / No Round 1 Grants	No	Reduced concerns in outdoor charging areas	No	Yes: Letterbox drop and Your Say	Leasing with 5-year market review clause	Electric Vehicle Charging on Public Land Policy
Willoughby	12 AC Level 2 chargers / Working with CPOs for Round 1 funding	No	Adhering to EV Firesafe Guidelines	No	No	Ownership model and considering leasing for Round 1 CPO's	No

Table 2. Council Charge Point Operator Approaches

### Options

Council has the following options with respect to the three successful CPO's (NRMA, EVIE, and ChargePost) in receipt of grant funding for EV charging in North Sydney Council carparks:

1. Formally withdraw support for CPOs who obtained NSW Government funding to install EV chargers in North Sydney.
2. Halt any further work with CPOs until an EV policy has been adopted by Council.
3. Cease any further undertaking until an Eoi process is completed.
4. Continue to progress the proposed EV charging installations for the three CPO's who were supported in principle by Council in their submissions for Grant funding under the *NSW EV Fast Charging and Kerbside Grant programs*

These options are assessed in the table below.

Option	Finance/Resourcing	Risk/Opportunity	Consultation
1.	No additional funds or resourcing is necessary to manage and prepare for the proposed Round 1 EV charging locations.	<ul style="list-style-type: none"> <li>- Risk that CPOs do not apply for future funding rounds for North Sydney locations.</li> <li>- Funding is reduced or not forthcoming in subsequent funding rounds.</li> <li>- Opportunity to become a regional charging destination in Northern Sydney is reduced.</li> </ul>	Not applicable



Option	Finance/Resourcing	Risk/Opportunity	Consultation
		<ul style="list-style-type: none"> <li>- Council is seen as not supporting a sustainability agenda.</li> </ul>	
2.	<p>Staff and resourcing allocated to develop an EV policy, Council report, undertake site and feasibility assessment, and consider relevant fire and insurance risk.</p>	<ul style="list-style-type: none"> <li>- Risk that CPOs will withdraw involvement as cannot meet revised timelines.</li> <li>- Opportunity to better prepare for other EV charging applications and funding rounds.</li> <li>- Further clarity regarding site-specific fire and insurance risks.</li> </ul>	<ul style="list-style-type: none"> <li>- Community consultation on proposed EV charging locations (new charging bays only).</li> <li>- Internal consultation across departments to ensure all relevant impacts considered and documented.</li> </ul>
3	<p>Staff resourcing allocated to undertake EoI process, Council report</p>	<ul style="list-style-type: none"> <li>- Grant milestones not met, funding is lost and / or reduced.</li> <li>- Withdrawal of approved CPOs.</li> <li>- Broadening market beyond providers identified in current grant round.</li> <li>- Given significant extent of grant funding provided, unlikely a more competitive offering will result from EoI process.</li> </ul>	<ul style="list-style-type: none"> <li>- Internal consultation undertaken to ensure all relevant impacts are considered and documented.</li> <li>- Broader market awareness</li> </ul>
4.	<p>Staff and resourcing allocated to support CPOs to install 50% of proposed EV chargers by November 2024, and balance by March 2025.</p>	<ul style="list-style-type: none"> <li>- Opportunity to maximise EV charging funding currently available.</li> <li>- Maintain positive working relationship with CPOs who will be delivering EV charging projects in future rounds.</li> <li>- Risk of moving forward without community support.</li> </ul>	<ul style="list-style-type: none"> <li>- Community consultation on proposed EV charging locations (new charging bays only).</li> <li>- Internal consultation across departments to ensure all relevant impacts are considered and documented</li> </ul>

Option	Finance/Resourcing	Risk/Opportunity	Consultation
		<ul style="list-style-type: none"> <li>- Aligns strongly with Council’s sustainability agenda.</li> </ul>	

Option 4, is recommended for the following reasons:

- Opportunity to install EV chargers to meet expected community demand with minimal financial impact to Council.
- In-principle letters of support have been provided to three CPO’s and significant time and resources have been allocated to scoping proposed sites.
- CPO’s have indicated that they may withdraw from the EV charging grants or reduce their proposed EV charging locations if there are further delays.
- This approach reinforces Council’s strong environmental sustainability agenda.

**Consultation requirements**

Community engagement is required for the installation of new charging stations. However, community consultation is not required for the replacement of existing charging stations or for charging bays that are not exclusively reserved for EV charging.

**Financial/Resource Implications**

There will be minimal financial implications to Council if the preferred option is implemented as the EV charging installation and associated infrastructure upgrades are included in the NSW Government EV charging funding.

There will be some resource implications as further work is required to be undertaken to facilitate the EV charging in Council carparks such as community consultations, site analysis and further fire and insurance review.