

## **Item: 11**

**Development and Infrastructure Committee: 6 September 2022.**

### **Electric Vehicle Charges.**

**Report by Corporate Director for Neighbourhood Services and Infrastructure.**

## **1. Purpose of Report**

To consider a review of fees for using the Council's Electric Vehicle charging infrastructure in Orkney.

## **2. Recommendations**

The Committee is invited to note:

### **2.1.**

That, in October 2014, the Council approved Orkney's Electric Vehicle (EV) Infrastructure Strategy, as the basis for further consultation in respect of specific projects and initiatives noted therein.

### **2.2.**

That funding is available from the Scottish Government in the current financial year to update the EV Strategy and draft an Expansion Plan to align with local and national policies and to consider the Council's future involvement in the EV infrastructure network.

### **2.3.**

That the Council manages and operates a number of EV charging points across Mainland Orkney, which were installed using funding provided from central Government and their agencies.

### **2.4.**

That, since May 2019, fees have been levied for the use of the Council's EV charging points, with fees varying depending on whether the charger type is fast or rapid.

### **2.5.**

That fee income does not cover the cost of managing and maintaining the EV charging infrastructure.

## **2.6.**

That officers have engaged with Orkney Renewable Energy Forum to ensure that the EV charging network remains attractive to users while the burden on the Council is not excessive, resulting in a proposed revised fee structure as detailed in section 4.4 of this report.

## **2.7.**

That no additional staff or budgetary resource has been assigned to the increasing strategic and operational work associated with the EV infrastructure roll out.

**It is recommended:**

## **2.8.**

That the undernoted charging structure in respect of the Council's EV charging infrastructure be adopted and implemented from 1 November 2022:

- Rapid Charger:
  - Price per kWh – 38p.
  - Minimum charge – £3.
  - Maximum stay – 1 hour.
  - Penalty for overstay – £1 per minute.
- Fast Charger:
  - Price per kWh – 30p.
  - Minimum charge – £1.50.
  - Maximum stay – 4 hours.
  - Penalty for overstay between 08:00 and 18:00 – £5.
  - Penalty for overstay between 18:00 and 08:00 – £nil.

## **2.9.**

That the Corporate Director for Neighbourhood Services and Infrastructure should arrange for the existing EV Infrastructure Strategy to be reviewed and updated, the cost of which should be met from the Transport Scotland funding referred to at paragraph 2.2 above.

## **2.10.**

That, following approval of the revised EV Infrastructure Strategy, the Corporate Director for Neighbourhood Services and Infrastructure should review the charging structure referred to at paragraph 2.8 above.

## **3. EV Charging Infrastructure and Strategy**

### **3.1.**

Orkney now has broad EV infrastructure network coverage across Kirkwall, St Margaret's Hope, Dounby, Finstown, Burray, Orphir and Stromness. These were all purchased and installed through the use of grant funding from Scottish Government.

### **3.2.**

The chargers are managed and maintained by Orkney Islands Council, with fees charged for their use. There are two types of chargers – fast and rapid – with users able to choose whichever one is most appropriate for their needs.

### **3.3.**

The Council's first Electric Vehicle Infrastructure Strategy was published in 2015/16 following the roll out of funding from Scottish Government. The strategy sets out the overarching plan for charging infrastructure and provided targets for its roll out across the county subject to the continuation of external funding.

### **3.4.**

Funding from the Scottish Government, through Transport Scotland, is available during the current financial year to update the Strategy and draft an Expansion Plan to align with local and national policies and to consider the Council's involvement in the EV infrastructure network moving forward. Crucially, the Strategies and Expansion Plans will support applications for capital funding in 2022/23 and beyond.

### **3.5.**

It should be noted that the strategic and operational work associated with the EV infrastructure roll out has been an additional workload to officers and there has been no additional staff or budgetary resource assigned to this growing remit.

### **3.6.**

It is therefore recommended that the strategy is updated following Transport Scotland's recommended template and the work is tendered out to external consultants to complete the work, ideally during 2022/23 financial year. Officers will proceed with an outline specification to update the existing Strategy and will follow the Council's procurement process as necessary.

## **4. Current Fee Structure and Cost Recovery**

### **4.1.**

When chargers were first installed their use was free, with the Scottish Government covering the costs. However, charges have been levied since May 2019. Use of the chargers noticeably dropped when fees were introduced but have since begun to increase again. Many EV owners have the capacity to charge their vehicles at home and will be inclined to do so if the costs are less than using a charging point.

However, as domestic electricity costs increase, use of the charging points may become more attractive.

#### 4.2.

Currently charges are levied according to the type of charger, as follows:

Charger Type	Price per kWh	Minimum charge	Maximum stay	Penalty for overstay
Rapid	25p	£2	1 hour	£5
Fast	20p	£1	3 hours	£5

#### 4.3.

Detailed analysis has been carried out of the costs of managing and maintaining the EV charging infrastructure. This is in addition to the unit price of electricity which the Council pays. Recovering the full cost would require fees far in excess of the cost of domestic electricity meaning that usage would fall to almost zero and only negligible income would be received. There is therefore a careful balance required to ensure that the charging network is attractive to users but that the burden on the Council is not excessive. There is a further consideration which is that increasing the use of electric vehicles is a Scottish Government objective and is supported by the Council. Therefore, it is incumbent on the Council to make every effort possible to provide the appropriate infrastructure to encourage greater uptake.

#### 4.4.

Officers have engaged with the Orkney Renewable Energy Forum (OREF) to discuss these issues and to identify ways in which the considerations described above can be addressed. This has resulted in the following proposed fee structure:

Charger Type	Price per kWh	Minimum charge	Maximum stay	Penalty for overstay
Rapid	38p	£3	1 hour	£1/minute
Fast	30p	£1.50	4 hours	08:00 – 18:00 £5 18:00 – 08:00 £0

#### 4.5.

A key objective of OREF is to enable the use of overnight charging, particularly for EV owners who cannot charge at home and require to leave their vehicle in a parking space overnight. Therefore, it is proposed that no penalties are imposed on fast chargers between 18:00 and 08:00 to enable EV owners to leave their car on charge overnight. Unfortunately, however, the software behind the charging points is not yet able to implement time-variable tariffs and so cannot support this. Discussions are ongoing with the software provider, and they are trialling this ability,

with a view to being able to implement it later in the year. However, at the moment this is not possible.

#### **4.6.**

It is therefore proposed that the above charges are implemented from 1 November 2022.

### **5. Links to Council Plan**

#### **5.1.**

The proposals in this report support and contribute to improved outcomes for communities as outlined in the Council Plan strategic priority theme of Connected Communities.

#### **5.2.**

The proposals in this report relate directly to Priority 1.5 Contribute to the delivery of the Orkney Electric Vehicle Energy Strategy of the Council Delivery Plan.

### **6. Links to Local Outcomes Improvement Plan**

The proposals in this report support and contribute to improved outcomes for communities as outlined in the Local Outcomes Improvement Plan priority of Connectivity.

### **7. Financial Implications**

#### **7.1.**

The EV charging network is budgeted to breakeven with the budget for financial year 2022/23 set at expenditure of £25,600, covered in full by income generated.

#### **7.2.**

The current cost of providing and maintaining the EV charging network is £33,859. Income received in financial year 2021/22 was £25,048. There is therefore a deficit on budget, and hence a direct cost to the Council to provide this service.

#### **7.3.**

Whilst it is difficult to accurately predict the likely income should the proposed charges be introduced, given the points noted above, it is estimated that it could be in the region of £30,017.

#### **7.4.**

The costs calculated at section 7.2 above have been calculated based on the electricity price for financial year 2021/22, however, with the increase in prices this year the cost of operating the system is likely to rise to £37,727 meaning that even with the increased income, the overall cost to the council will be £7,710.

## **7.5.**

The figures are based on usage of the system continuing at the current rate, however with the next increase in the electricity price cap the proposed charges will look increasingly more favourable. Since the easing of the lockdown restriction the number of charging sessions has been increasing by around 12% per quarter. If use was to increase by 10% over the year the cost of operation would fall to £6,151.

## **8. Legal Aspects**

There are no legal implications arising directly from the recommendations of this report.

## **9. Contact Officers**

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