

COUNCIL REPORT

Report Date:August 28, 2023Contact:Doug SmithContact No.:604.829.4308RTS No.:15765VanRIMS No.:08-2000-20Meeting Date:September 12, 2023Submit comments to Council

- TO: Vancouver City Council
- FROM: General Manager of Planning, Urban Design and Sustainability
- SUBJECT: By-law Amendments to Encourage Electric Vehicle (EV) Charging at Gas Stations and Parking Lots

Recommendations

THAT Council approves, in principle, amendments to the License By-law to allow proposed "Gasoline Station with EV Charging" business licence holders to sell electricity for electric vehicle charging at another premises that is a gas station or commercial parking lot in order to qualify for the Gasoline Station with EV Charging reduced licence fee;

FURTHER THAT the Director of Legal Services be instructed to bring forward for enactment an amendment to the License By-law generally in accordance with Appendix A.

Purpose and Executive Summary

In May 2022, Council approved changes to the Zoning and Development By-law and the License By-law to encourage the installation of EV chargers at gasoline stations and large commercial parking lots in Vancouver. In response to challenges locating EV chargers at some gas stations, this report recommends amending the License By-law to allow gasoline stations to install EV chargers off-site at other gas stations or commercial parking areas, in lieu of on-site charging, in order to qualify for the lower business licence fee.

Council Authority/Previous Decisions

 In May 2022, Council approved <u>changes to the License By-law and Zoning and</u> <u>Development By-law</u> to encourage owners and operators of gas stations and commercial parking lots to install EV chargers at their businesses. In November 2020, Council adopted the <u>Climate Emergency Action Plan</u>, which included direction to bring forward recommendations to change the business license fees for gas stations and parking lots to encourage installation of EV charging.

City Manager's Comments

The City Manager concurs with the foregoing recommendations.

Context and Background

In Vancouver, nearly 40% of carbon pollution comes from burning gas and diesel in vehicles. Accelerating the transition to EVs is one way the City is trying to reduce fossil fuel use. A lack of access to EV charging continues to be a barrier to EV adoption. The Climate Emergency Action Plan (CEAP) includes actions to increase public, home, and workplace EV charging to enable faster uptake of EVs. EV chargers at gas stations and parking lots are expected to be part of the growing EV charging network and can support residents who do not have access to home or workplace charging.

In May 2022, Council approved amendments to the License By-law to encourage EV charging at gas stations and large commercial parking lots through business license fees. Starting in January 2025, commercial parking lots with at least 60 parking stalls and gas stations that provide a specified amount of EV charging will continue to pay a relatively low business licence fee. Businesses that do not install the specified amount of EV charging will be subject to a \$10,000 business licence fee. This report outlines a recent challenge stakeholders brought forward and recommends adding an alternate compliance pathway to increase flexibility for impacted businesses and alleviate challenges while likely resulting in more EV charging in the City.

Discussion

Challenges for Gas Stations

In February 2023, gas station owners brought forward a concern regarding installing EV chargers at certain sites that were constrained by space or layout. Some gas stations, for example, have only one parking stall, which is used to access the on-site convenience store and would not be available for longer periods if someone were charging an EV. Other sites have layout constraints that would make it difficult for cars to manoeuvre if a charger was added. Likewise, fuel vents can prevent charging from being added to certain areas due to safety regulations.

In response to this concern City staff worked directly with gas station stakeholders to develop an alternative compliance pathway involving off-site charging that should result in more EV charging, while enabling more businesses to qualify for the lower business licence fee. Large parking lots do not face the same space constraints and thus were not considered for this alternate approach.

Alternate Compliance

Under this proposed alternative compliance approach gas station business licence holders can install off-site EV chargers at another gas station or at a commercial parking lot. One EV charging stall (with a minimum power output of 50 kW) will be required per business licence for a gas station to qualify for the lower licence fee. For example, if a gas station business licence holder decides to install an off-site charger at another station they own, they would need to

provide two charging stalls at that station in order for both stations to qualify for the lower business license fee. Off-site EV charging must have been installed after May 1, 2023 for a gas station to qualify for the lower business licence fee to ensure charging is being added as a result of the policy, and is not a pre-existing charger.

Impact on Program Objectives

The proposed alternate compliance option meets the original program objectives, which are to:

- Grow the EV charging network by encouraging privately funded charging for the public;
- Reduce barriers to EV adoption and increase charging in underserved areas; and
- Catalyse the shift to EV adoption.

Providing this alternate compliance option will enable more gas stations to comply therefore more EV charging stations will likely be installed. Having multiple charging stations at one location would also be more attractive to EV drivers as it will increase the likelihood of available and functional chargers.

Stakeholder Input

City staff held a webinar for gas station business licence holders in May 2023 and held a followup webinar in July 2023 where stakeholders shared their feedback on the proposed alternate compliance approach. Staff also met with stakeholder groups individually to ensure their feedback is considered. Gas station business licence holders that staff heard from generally support greater flexibility in the program. Stakeholders support the alternative compliance approach being available to all gas stations and they preferred that there be no set distance between the off-site charger and gas station.

Implications Analysis

a) Human Resources/Labour Relations

The program was specifically designed to be clear and simple, therefore ensuring it would not strain capacity for Development, Buildings, and Licensing (DBL) staff or cause bottlenecks in the system.

b) Environmental

The City contracted Dunsky Energy and Climate Advisors to create a model, which estimated that the previously approved business licence fee changes are expected to result in the addition of EV charging at 21 gas stations. That could mean an additional 21 DC fast chargers by 2030, resulting in approximately double the amount of publicly accessible fast charging across the City. The model did not take constrained sites into account, but with offsite charging as an option, more gas stations would have the option to install chargers offsite instead of paying the higher business licence fee.

c) Equity

Increasing public charging will help make EVs a more viable option for those who do not have access to home charging, such as renters and residents living in older multi-unit buildings. Since gas stations and commercial parking lots are located across Vancouver, this program could support a more evenly distributed charging network and increase charging in underserved areas. Additionally, people with disabilities noted that having EV chargers at gas stations could benefit EV drivers with disabilities because attendants may

be able to provide assistance. A transition to EVs can improve air quality for all, including communities that are disproportionately impacted by poor air quality.

Financial Implications

Using Dunsky's model, the original program was estimated to add approximately 21 DC fast chargers to the network, representing approximately \$2.9M in private investment and expanding the publicly accessible charging network on private property customarily associated with vehicle fueling. While generating new revenue is not the purpose of this program, the program was estimated to generate approximately \$320,000 per year in revenue from the higher business licence fees by 2030.

Legal Implications

The proposed License By-law amendments will allow for an alternative compliance model, and are authorized by the *Vancouver Charter*, including sections 202, 272 and 273.

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APPENDIX A AMENDMENTS TO LICENSE BY-LAW

- 1. This By-law amends the indicated provisions of the License By-law.
- 2. Council inserts a new section 16.2 (1) and (2) as follows:

"(1) Any person who holds or should hold a Gas Station license for a premises where it is impossible or not reasonably practical to accommodate the capacity to provide electricity sales for motor vehicles at a rate not less than 50 kW in order to qualify for a Gasoline Station with Charging licence, may demonstrate such capacity by entering into a written agreement with the owner of another premises that is:

- a. accessible to the public; and
- b. permitted to provide electricity sales to motor vehicles.
- (2) Any agreement under (1) must:

(i) require the owner of the other premises to provide 50 kW of charging capacity on behalf of the Gas Station;

(ii) be submitted to the Chief License Inspector; and

(iii) be executed after (DATE OF ENACTMENT) and remain in force and be complied with at all material times." .