

MEMORANDUM

DATE: June 30, 2026

TO: Chris Macon, City Manager | City of Laguna Woods

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SUBJECT: Cost of Service Analysis and Proposed Rate Structure for the City of Laguna Woods' Level 2 Electrical Vehicle Charging Stations

OVERVIEW

As the use of electric vehicles becomes more prevalent, California municipalities are increasingly offering access to charging facilities. Several years ago, the City of Laguna Woods installed two Level 2 charging stations that are available for use outside City Hall.

In 2023, the City Council adopted electric vehicle (EV) charging rates and parking rates for occupying the City's limited EV charging spaces after vehicle charging has completed. The charges and fees are intended to:

- 1) Recover the cost of electricity and service-related costs associated with offering access to the City's electric vehicle charging stations.
- 2) Encourage efficient use of limited charging stations by implementing a parking rate that applies after intended use of the system (i.e., after charging completes).

EV charging practices are required to comply with California Health and Safety Code Part 5, Chapter 8.7 "Electric Vehicle Charging Stations Open Access Act".

Recovery of the cost of electricity and service-related costs

Southern California Edison is the City's electric service provider. Twelve months of electricity billing information was used to calculate an average cost of electricity per kilowatt-hour (kWh). kWh is the standard unit used to measure the total amount of energy consumed as time passes.

The City utilizes ChargePoint to administer the City's EV charging network. ChargePoint provides EV charging hardware, cloud software, and networked services. They offer solutions for drivers, businesses, fleets, and station operators, managing public and private charging networks with tools like remote monitoring, 24/7 support, and mobile payment integration. ChargePoint's fee for service model collects 10% of gross EV charging and parking fees collected.

Additionally, the City has minimal support costs associated with City monitoring and administration of the EV program and ChargePoint services contract.

Charging rates (i.e., energy rates) are proposed to be adjusted to more closely align charging rates to the City's cost of service.

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Encourage efficient use of limited charging stations

The U.S. Department of Transportation indicates that using a Level 2 charger, a vehicle should be able to receive a significant charge within four (4) hours.

In order to encourage efficient use of limited charging stations the City collects a parking rate that applies after 4 hours. Application of this rate is intended to free up charging stations for others to use. To avoid being overly burdensome, a maximum daily parking charge has been established. Maximum daily parking charges have not been collected since users receive no benefit from the use of charging stations once a vehicle's battery is fully charged and, therefore, have no reason aside from convenience to continue to occupy charging station parking. In the case of City Hall, a substantial amount of other parking exists around the charging station for users to move their fully charged vehicles.

The existing parking rate is operating as intended. Based on historical usage:

- 93% of EV charging occurrences are completed in 4 hours or less.
- 4% of EV charging occurrences are completed in 4.01 to 5 hours
- 1% of EV charging occurrences are completed in 5.01 to 6 hours
- 1% of EV charging occurrences are completed in 6.01 to 7 hours
- 1% of EV charging occurrences are completed in 7 hours or more

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RECOMMENDATION

The following rate structure is intended to meet the City's primary objectives for use of vehicle charging stations.

Rates for Level 2 Charging Stations	Current Rate	Proposed Rate
Energy Rate	\$0.30 per kWh	\$0.45 per kWh
Parking Rate		
a) Up to 4 hours	No Charge	No Charge
b) After 4 hours	\$2 per hour; \$30 maximum per day	\$2 per hour; \$30 maximum per day

Rate structure alignment to cost of service, regional municipal agencies, and Laguna Woods Village

- The proposed rate structure is primarily intended to recover the cost of electricity and service-related costs associated with offering access to the City's electric vehicle charging stations.
- Although rates for use of City property are not subject to the same cost of service limitations as user and regulatory fees, **the City has prepared an analysis that indicates these rates do not exceed the City's cost of service associated with providing access to electrical vehicle charging stations.** Please refer to the [Appendix](#) of this memorandum to view the cost of service analysis.
- **The proposed rate structure aligns to the rate structure currently used by Laguna Woods Village for Level 2 charging stations by the general public and aligns well to rates for charging and station use throughout the region.**

COST OF SERVICE ANALYSIS

Average Electricity Cost per kWh [a]

Month	Cost	Total kWh	Cost per kWh	Note
Jun 2025	\$3,930	11,952	\$0.33	[b]
Jul 2025	\$4,585	12,882	\$0.36	[b]
Aug 2025	\$5,048	13,114	\$0.38	[b]
Sep 2025	\$5,418	14,842	\$0.37	[b]
Oct 2025	\$3,589	11,714	\$0.31	[b]
Nov 2025	\$3,275	11,211	\$0.29	[b]
Dec 2025	\$3,030	11,185	\$0.27	[b]
Jan 2026	\$2,790	9,995	\$0.28	[b]
Feb 2026	\$2,878	11,167	\$0.26	[b]
Mar 2026	\$3,249	11,283	\$0.29	[b]
Apr 2026	\$3,066	10,914	\$0.28	[b]
May 2026	\$3,308	11,846	\$0.28	[b]
Average	\$44,165	142,105	\$0.31	

Average Annual Increase for Electric Rates

Description	Average Change	Years	Average Annual Change	Note
10-Year Change	69%	10	7%	[c]

Forecast Annual Electricity Rate per kWh

Description	Cost per kWh	Note
Electricity Cost per kWh	\$0.33	[d]

City Administrative Support Costs for EV Charging (Non-Electricity Costs)

Description	Hours	Rate	Cost	Note
Annual Labor	24	\$180	\$4,320	[e]

Description	Cost	Total kWh	Cost per kWh	Note
Annual Labor	\$4,320	142,105	\$0.03	

Allocation of Direct Costs

Description	Cost per kWh	Note
Electricity	\$0.33	
Direct Staff	\$0.03	
Total	\$0.36	

City of Laguna Woods

Cost of Service Analysis - Electrical Vehicle Charging Rate per kWh

Allocation of Citywide Overhead

Description	Citywide OH Rate	Mod Op Exp	Total	Notes
Citywide Overhead Allocation	23%	\$0.36	\$0.08	[f]

Allocation of Direct and Indirect Costs

Description	Cost per kWh	Note
Direct	\$0.36	
Indirect	\$0.08	
Total	\$0.45	

ChargePoint Service Cost

Description	Service Rate	Costs	Service Cost	Note
Service Fee	10%	\$0.45	\$0.04	[g]

EV Charging Cost of Service per kWh

Description	Cost per kWh	Note
Direct Costs	\$0.36	
Indirect Costs	\$0.08	
ChargePoint Service Fee	\$0.04	
Total	\$0.49	

[a] "kWh" represents a kilowatt-hour. kWh measures the total amount of electricity used over time.

[b] Source: Reconciliation of EV Charging Electric Costs for 24264 El Toro Road based on actual SCE bills.

[c] Source: As of July 31, 2026. Web search:

https://www.google.com/search?q=sce+average+cost+per+kWh+ten+year+change&oeq=&gs_lcrp=EgZjaHJvbWUqCQgAEEUYOxjCAzIJCAAQRRg7GMIDMgkIARBFgDsYwgMyCQgCEEUYOxjCAzIJCAMQRRg7GMIDMgkIBBBFGDsYwgMyCQgFEEUYOxjCAzIJCAYQRRg7GMIDMgkIBxBFGDsYwgPSAQkxMDcwajBqMTWoAgiwAgHxBajdM2rQP4O08QWo3TNq0D-Djg&sourceid=chrome&source=chrome.rb&ie=UTF-8

[d] Current average rate adjusted to reflect average annual cost inflation.

[e] Assumes 2 hours per month of administrative support associated with facilitating vehicle charging at City Hall (e.g., fielding questions regarding charging procedures, administration of vendor contract, financial administration, etc.).

[f] See Citywide Overhead Cost Allocation Plan for FY 26/27 - Full Cost Version.

[g] Source: ChargePoint service fee.