



CITY OF DETROIT

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVE.,
DETROIT, MICHIGAN 48226
WWW.DETROITMI.GOV

July 10, 2025

Detroit City Council
Coleman A. Young Municipal Center
Detroit, MI 48226

RE: Approval and Authorization of a Formal Rate Structure for the Use of City-Owned DC Fast Electric Vehicle Chargers

Honorable City Council:

The Office of Budget hereby requests approval and authorization to establish a formal rate structure for the use of City-owned DC fast electric vehicle chargers, including a per kilowatt-hour charge and idling fees to recover operational and maintenance costs.

On July 1, 2025, your Honorable Body adopted an ordinance to amend Chapter 48 of the 2019 Detroit City Code, Utilities, by adding Article IV, Electric Vehicle Charging Rates. The ordinance established a comprehensive framework for operating and managing City-owned electric vehicle (EV) charging stations. The ordinance outlined the City's authority, rate-setting formula, payment structures, signage and towing requirements, idling fee policies, and annual reporting. The ordinance is designed to support EV adoption, expand access to clean transportation, and help achieve Detroit's goals of reducing emissions and promoting a healthier environment.

The two components of the rate calculation are (1) the adder component established by a calculation based on total operational costs divided by estimated energy dispensed and (2) the power cost recovery component which shall be equal to the per kWh cost of electrical power charged to the City as a customer of DTE Electric Company at the applicable rate approved by the Michigan Public Service Commission. Operational costs include the amounts necessary to ensure sufficient resources for repair and maintenance to provide continuity of service.

We respectfully request the approval of the attached resolution, with a waiver of reconsideration, to authorize and implement the formal rate structure for the use of City-owned electric vehicle chargers.

Sincerely,

Donnie Johnson
Acting Deputy CFO/Budget Director

cc: Tanya Stoudemire, Chief Financial Officer
John Naglick, Jr., Chief Deputy CFO/Finance Director/Controller
Regina Greear, Acting Chief Deputy CFO/Administration and Policy
Matthew Spayth, Acting Deputy Budget Director
David Whitaker, Director, Legislative Policy Division
Malik Washington, City Council Liaison



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RESOLUTION

BY COUNCIL MEMBER _____:

WHEREAS, the Electric Vehicle Charging Ordinance, sponsored by Council Member Benson was adopted by City Council on July 1, 2025; and

WHEREAS, Section 4-118 of the Detroit City Charter indicates that ordinances are effective upon publication; and,

WHEREAS, the publication of the Electric Vehicle Charging Ordinance was effectuated in the Detroit Legal News on July 3, 2025; and

WHEREAS, Section 48-4-7 of the Electric Vehicle Charging Ordinance provides that in accordance with Section 9-507 of the Detroit City Charter, the Director of the Public Lighting Department shall establish, with the approval of the City Council through the adoption of a resolution the necessary rates for the use of City-owned electric vehicle charging stations; and

WHEREAS, in accordance with Michigan law, the fees for usage of the electric vehicle (“EV”) charging services capable of 100 kW (kilowatt) power output or greater shall be based on the cost of service; and

WHEREAS, the City’s cost of service does not include any grant funding that does not require repayment by the City; and

WHEREAS, the City’s rates shall include amounts necessary to ensure sufficient resources for repair and maintenance to provide continuity of service; and

WHEREAS, the electric power for the EV charging services shall be provided by DTE Electric Company (“DTE”) to the City as a customer, and the City is required to pay for such power at rates approved by the Michigan Public Service Commission, and the rates shall have as a component a pass-through to the customer of the electricity cost as permitted under MCL 460.10q(4); and

WHEREAS, the City believes pricing for EV charging services is most convenient for the customer when expressed as a single per kWh (kilowatt-hour) rate; and

WHEREAS, in order to simplify the customer experience, the City’s rate shall be a single per kilowatt hour (/kWh) rate, determined by adding two components: a power cost recovery component equal to the costs owed to DTE for the electrical power from DTE, and an adder that recovers all other costs to the City of providing the service; and,

WHEREAS, provision of electric vehicle charging services is a relatively new service, the City has researched those components of cost-based rates and make estimates of the same to allow recovery of its cost of service for providing the EV charging services; and,



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WHEREAS, the City intends to provide a variety of electric vehicle charging options, including both Level 2 charging stations which have a charging infrastructure that provides AC charging to electric vehicles, using a 208-240 volt electrical circuit) and Direct current fast charging stations (DC stations) which have a charging infrastructure that provides AC charging to electric vehicles, using a 480 volt electrical circuit); and

WHEREAS, any City-owned DC EV chargers capable of 100kW power output or greater shall have the assigned fee structure from this resolution implemented and any EV charging station with less than 100kW power capability will remain free of charge; and,

WHEREAS, in developing the “adder” component of the rate for DC EV charging, the City’s research has led to identify six factors to use in estimating the costs of providing DC EV charging services (not including electric power costs): 1) City-funded site costs, including construction and equipment costs; 2) program management, workforce, and community engagement costs; 3) the operational life of the infrastructure, notably the EV charging station; 4) operation and maintenance costs; 5) costs to repair damage or to upgrade the EV charging software during the life of the station; and 6) time in use; and,

WHEREAS, in developing the “adder” component of the rate for DC EV charging, the City has made reasonable assumptions to forecast its costs for providing this service, including but not limited to: 1) City funded site costs in excess of grant funding will be at least \$5.2 million including program management costs workforce, and community engagement costs over the life of the asset; 2) EV stations on average will have a 15 year life; 3) each location will require at least \$70.1 thousand a year for operation and maintenance costs; 4) each location will require at least \$10 thousand a year in repair or system upgrade costs; and 5) that each charger will, on average, be used 8 times a day with an average session time of 30 minutes; and,

WHEREAS, the Public Lighting Department has considered the resources that will be necessary to provide charging services from its stations and determined that 24 cents per kWh for the adder component of the rate is a reasonable assumption of the cost of service for such services; and,

WHEREAS, studies have found assessing fees for idling (remaining connected to the charging station without consuming electric power) make the recovery of costs to be more likely by maximizing use of each station, and also benefit the public by incentivizing availability of EV charging; and,

WHEREAS, the loss of revenue for the charger and public inconvenience is higher when all chargers are in use compared to when another charger is available, and rates charged by other providers differentiate between idling at a fully utilized station and a station that is still usable by another member of the public.



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NOW THEREFORE BE IT RESOLVED, that in consideration of the foregoing and in accordance with all applicable laws, the Detroit City Council hereby approves the charging of the following fees:

- (1) For electric vehicle charging from a DC City-owned charger, the fee shall have two components that are added together:
 - a. the adder component of the fee for EV use of 24 cents per kWh;
 - b. the power cost recovery component shall be equal to the per kWh cost of electrical power charged to the City as a customer of DTE Electric Company at the applicable rate approved by the Michigan Public Service Commission; and

- (2) For idling at a City-owned DC charger, after the first 15 minutes of idling, the fees shall be as follows:
 - a. If other chargers are open, a fee of 12 cents per minute, and;
 - b. If all other chargers on that station are in use or also idling, a fee of 49 cents per minute.
 - c. Idling fees shall be capped at an 8-hour maximum; **AND BE IT FURTHER**

RESOLVED, the establishment of fees for idling shall not be read to prohibit towing of an idling vehicle after 8 hours and in accordance with applicable law including any ordinance enacted by the City, **AND BE IT FINALLY**

RESOLVED, that the Chief Financial Officer, or their designee, is hereby authorized and shall take all appropriate actions necessary to implement the foregoing provisions and actions authorized by this resolution.