

**TO: MAYOR AND CITY COUNCIL**

**FROM: LANELL ENDRES, INTERIM CITY ADMIN/FINANCE DIRECTOR**

**SUBJECT: ZEF ENERGY**

**MEETING DATE: AUGUST 7, 2018**

### **BACKGROUND**

I received a phone call from Jim Losleben, a representative from ZEF Energy. He stated ZEF Energy intends to submit a grant application with the Minnesota Pollution Control Agency for the installation of Electric Vehicle Charge Stations. He indicated the Highway 52 corridor between the Twin Cities and Rochester is one of the designated corridors included in the grant. He is requesting the City partner with them (at no cost to the City) in the project. He stated the location of the charging station would be determined at a later point in the project. He also requested that the City sign a Letter of Intent (LOI) saying we would work exclusively with ZEF if they were awarded the MPCA funding.

I had our city attorney review the information and he suggested some follow-up questions. I emailed Mr. Losleben and as of the writing of this memo have not received a response. Our attorney also questioned if it was a requirement that we sign an agreement to work exclusively with that company.

A copy of the materials sent by Mr. Losleben along with the email that I sent to him is attached.

Mr. Losleben stated the grant application is due by August 15 so this would be the only meeting to take action prior to the due date. I am not sure that the

### **REQUESTED COUNCIL ACTION**

To discuss the request and determine if you want to direct staff to sign the Letter of Intent on behalf of the City.

Attachment(s):  
Emailed Materials

## Lanell Endres

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**To:** Lanell Endres  
**Subject:** ZEF Energy

Jim,

Could you provide detailed information about your company? The information would be helpful to the City Council when reviewing your request. Also, is it an MPCA requirement that you have a letter of support? If so, please provide documentation from the MPCA indicating that it is indeed a requirement. Is it also a requirement that we sign an agreement to work exclusively with your company or is that your request?

We have so little time to gather information about your company and the grant so any additional information would be greatly appreciated.

Thank you,

**Lanell**

**From:** Jim Losleben [<mailto:jim.losleben@zefenergy.com>]  
**Sent:** Wednesday, August 01, 2018 2:43 PM  
**To:** Lanell Endres  
**Subject:** Re: test

Lanell - Thanks for your time on the phone today.

ZEF Energy intends to quote a proposal for the MPCA Electric Vehicle Charge Station. See attached packet of information describing the project.

IF you wish to partner with us, all we need to have for now is a signed LOI from you. A sample of an LOI requested is in the attached packet of information.

This project will not require the City of Cannon Falls any out of pocket expenditure.

Please call with questions.

Jim Losleben  
Phone: 651 686-9547

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**Jim Losleben - Manufacturer's Representative - ZEF Energy**  
Homepage: [www.zefenergy.com](http://www.zefenergy.com)  
Email: [jim.losleben@zefenergy.com](mailto:jim.losleben@zefenergy.com)  
Office: (+1) 651 686 9547  
Cell: (+1) 612 868 3031

## Ineligible applicants

Entities or individuals that are currently suspended or debarred by the State of Minnesota and/or the federal government are ineligible applicants.

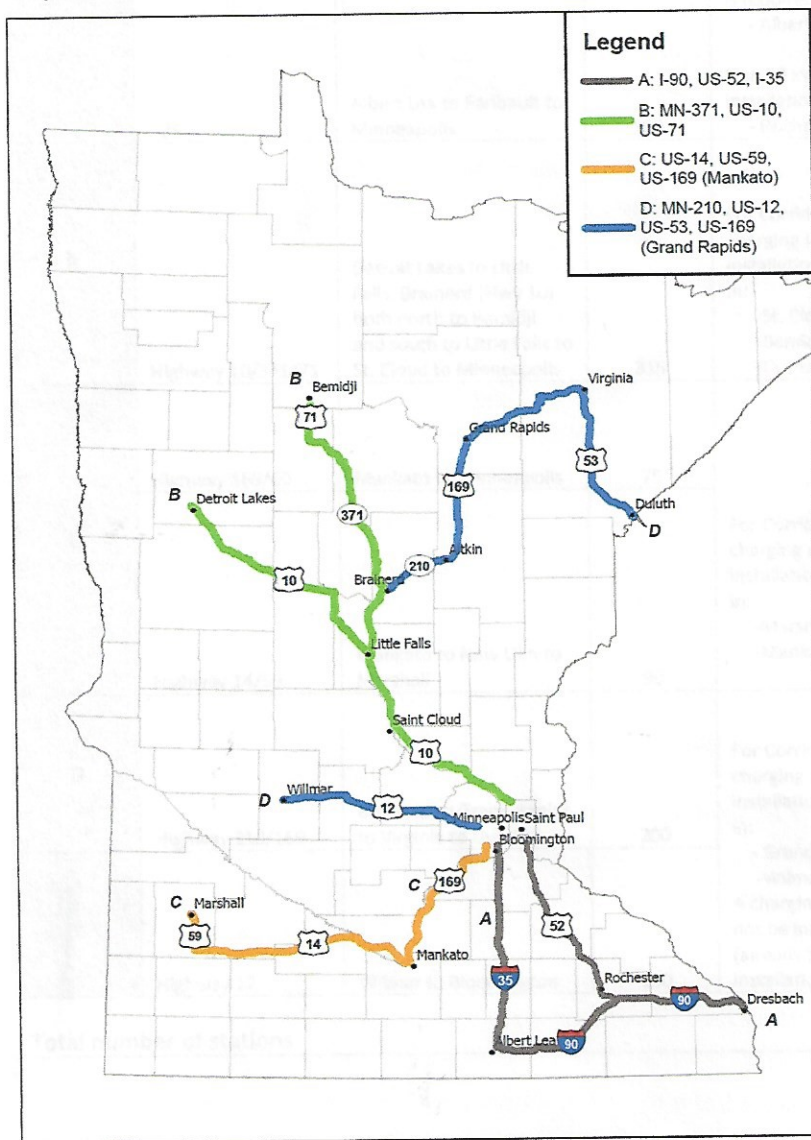
The MPCA may also deem an applicant ineligible because of, but not limited to: enforcement issues, labor standards issues, tax status or other such issues.

## 4. Proposal content

### Designated highway corridors

The following map shows the EV charging station corridors named A, B, C, and D to be built through this grant round. All fast charging station installations along the highway corridors will be 50 kilo-watt (kW) in size with the exception of one 150 kW station in Albert Lea (part of Corridor A). Applicants may submit one proposal per corridor (A, B, C, D). Each proposal must identify one (and only one) corridor. Applicants may submit multiple proposals if each proposal is for a different corridor. For example, an applicant may submit one proposal for Corridor D and another for Corridor C. Funding is available for full-corridor proposals only.

Map of EV Fast Charging Station Corridors



Each color designates a different corridor. Cities where installation of fast charging stations is required include: Bemidji, Grand Rapids, Detroit Lakes, St. Cloud, Willmar, Marshall, Rochester, and Mankato. One 150 kW charging station is to be installed in the city of Albert Lea. Existing and planned fast-charger installations, including planned stations in Motley and Virginia, were considered during the development of the required list of city locations.

Partnering with ZEF Energy for the MPCA grant opportunity.

- ZEF Energy owns and operates the largest EV fast charging network in the Upper Midwest.
- ZEF is currently preparing a response to the MPCA funding opportunity to build new DCFC chargers in Minnesota using VW Dieselgate Funds.
- We believe that we are well positioned to win grant monies based on our success of winning MPCA and DOE grants in the past couple of years, our unparalleled regional experience and our low-overhead cost structure.
- ZEF plans to build the new stations and pay a percentage\* of station revenue to site hosts where the chargers will be located.
- ZEF seeks active partners to help identify site hosts in select communities and regions which meet the requirements set out by the MPCA.
- Partners will make a non-binding commitment to help ZEF identify sites in the event ZEF is awarded funds under the MPCA grant opportunity.
- **No financial commitment is required from partners, ZEF will bear the cost of procuring, installing, operating and maintaining the charging equipment and all risk of project development.**

**We make it easy to provide EV charging to your community/region.**

\*ZEF's standard Site Host Agreement pays 7% of gross annual charger revenue to the host for use of the site.

**Jim Losleben – Manufacturer Representative - ZEF Energy**

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Partnering with ZEF Energy for Electric Vehicle Fast Charger Location

### **Advantages of EV Chargers at Retail Locations**

The following case studies highlight benefits of installing charging stations at retail centers.

- In addition to the following benefits, ZEF's standard Site Host Agreement pays 7% of gross annual charger revenue to the host for use of the site.
- <https://www.chargepoint.com/files/casestudies/cs-retail.pdf>. This case study highlights the benefits that a major retail chain experienced after installing charging stations, including an average increased dwell time of 50 minutes (327%). The chain also saw increased revenue of \$56,000 by providing \$430 worth of electricity to customers.
- <https://www.chargepoint.com/files/casestudies/cs-easton.pdf>. A retail center in Columbus, OH, reports about 350 EV drivers use their stations per month, and that EV drivers spend 40% more time at the retail center than non-EV drivers.
- <https://www.evgo.com/ev-charging-business/retail/>. 89% of EV drivers make a purchase when charging at a retail center, with 83% of EV owners preferring to shop at locations with chargers.

**We make it easy to provide EV charging to your community/region while building valuable traffic to your business.**

**Jim Losleben – Manufacturer Representative - ZEF Energy**

Homepage: [www.zefenergy.com](http://www.zefenergy.com)

Email: [jim.losleben@zefenergy.com](mailto:jim.losleben@zefenergy.com)

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Cell: (+1) 612 868 3031

Please return to [matthew@zefenergy.com](mailto:matthew@zefenergy.com) on company letterhead

<Date>

Matthew Blackler – CEO  
ZEF Energy, Inc.  
323 W 34<sup>th</sup> Street  
Minneapolis, MN

Dear Mr. Blackler,

We are writing to express our intent to work with ZEF Energy, Inc. (ZEF) to locate Level 3 DC Fast Chargers (DCFC) with co-located Level 2 Electric Vehicle Charger units in our community in response to the Minnesota Pollution Control Agency's (MPCA) request for proposals.

We understand that ZEF is proposing a multi-locale DCFC network to the MPCA in response to this request for proposals. Should ZEF be awarded MPCA funding for the project<sup>1</sup>, this letter is our indication that we will work with ZEF on an exclusive basis to identify a satisfactory site or sites in our community/region. If not extended by mutual agreement, this LOI shall expire on the earlier of: a) Date which ZEF receives notice that it has not received an MPCA award or, b) October 1, 2019.

It is understood that this LOI merely constitutes a statement by (name of company) of intentions with respect to the siting of stations, and does not contain all matters necessary to finalize a site host agreement with an identified host. It is also understood that this letter represents good faith intentions of both parties to locate chargers in our community/region but creates no binding obligation on the part of either ZEF or (company name) to do so.

We look forward to working with you and your team,

Best regards,

Signatures of (name of company)

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<sup>1</sup> Minnesota Diesel Replacement Program, VW Settlement: Phase 1 Electric Vehicle Fast Charging Corridors