



P.O. Box 2635
Olympic Valley, CA 96146

February 13, 2024

Dear Homeowner,

Thank you for registering to use the 22 Station Owners Association, Inc. Electric Vehicle Charging Stations (“EVCS”) in P2 Building 4. We hope that you are benefiting from the convenience of these EVCS. Pricing of the EVCS and FAQ’s are attached and also available at www.22station.com/evcharging-firstascent/. Based upon Owner feedback, analysis of usage, and 22 Station’s (as the lessee and operator of the EVCS) financial objectives, the purpose of this communication is to inform you of changes in 22 Station EVCS pricing and respond to questions and feedback. For your convenience this communication is organized into four sections

- Overnight Charging and No Explicit Overstay Fees
- Time of Day Pricing
- Electricity Per KWH Costs
- 22 Station Financial Objectives

Overnight Charging and Suspension of Explicit Overstay Fees

To facilitate overnight charging and peaceful sleep, the only fee during the night between 11:00 p.m. and 7:00 a.m. is for electricity (per KWH) or the minimum fee. Any overstay fee has been suspended during this time period. The purpose of the overstay fees is to enable 22 Station to comply with its agreement with Palisades Tahoe to use P2 and manage availability of the EVCS. 22 Station has been working unsuccessfully with Chargepoint to have the Chargepoint EVCS software enable overstay fees during the day and none during the night. The current solution is to have no overstay fees at all and no connection fees during the night. Owners can now charge between 11:00 p.m. and 7:00 a.m. and incur no additional fees when the vehicle is fully charged and connected. If the fee for KWH is less than \$10.00, Owners will incur a minimum fee of \$10.00 and no fee for actual KWH consumed.

Time of Day Pricing

During the daytime and evening hours between 7:00 a.m. and 11:00 p.m., the only fee will be per hour while the vehicle is connected to the EVCS or a minimum fee. Any explicit overstay fee has been suspended during this time period. However, after the vehicle is fully charged and still connected, the connection fee will continue to accrue. Please disconnect and vacate the parking space after the vehicle is charged. During the nighttime hours between 11:00 p.m. and 7:00 a.m., the only fee is for electricity (per KWH) or the minimum fee.

Electricity Per KWH Costs

The EVCS pricing passes through 22 Station's cost of electricity (currently ~\$0.30 per KWH) with a markup to recover the cost of electricity and the lease expense of the three (3) EVCS. Liberty Electric recently had two (2) rate increases of 50% in total and signaled further increases. As electricity costs increase, 22 Station EVCS prices will increase.

22 Station Financial Objectives

22 Station prices the EVCS to breakeven and recover the costs of electricity (currently ~\$0.30 per KWH) and the lease expense of the three (3) EVCS (\$9,264 annually and ~5% of gross revenue for software license and administration). Any surplus will contribute to the infrastructure build-out expense of roughly \$40,000 before tax credits. Current price levels realize a gross margin ("GM") of ~50% to recover the annual stations expense and may or may not achieve breakeven depending on usage volume. The EVCS are for the exclusive use of registered Owners of the Village at Palisades Tahoe (currently 47) and Palisades Tahoe employees (5). With a ~50% GM, every registered Owner would have to spend on average about \$400 per annum and charge about 20 times annually for 22 Station to breakeven. With lower prices and a ~25% GM, every registered Owner would have to spend on average about \$800 per annum and charge about 60 times annually for 22 Station to breakeven.

If breakeven is not realized or achievable, prudent financial management would either reduce the number of charging stations when leases expire to lower breakeven or cease to operate. 22 Station's objective is to breakeven, continue to operate the EVCS, and provide convenience to the registered 22 Station Owners.

Sincerely,

22 Station Board of Directors