


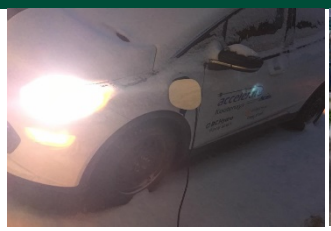


BCUC EV Charging Inquiry Phase 2 Final Argument

March 28, 2019

Community Energy Association

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Patrick Wruck
Commission Secretary
BCUC
Suite 410, 900 Howe Street
Vancouver, BC Canada V6Z 2N3

Re: British Columbia Utilities Commission – An Inquiry into the Regulation of Electric Vehicle Charging Service – Project No. 1598941

Dear Commission Secretary:

The Community Energy Association (CEA) has enclosed final argument for the EV Charging Inquiry on the following pages on behalf of local governments across British Columbia with a particular emphasis on smaller communities who do not have staffing resources comparable to utilities.

Wise regulation of the different elements of 'EV charging' can enable utilities to recover their costs and accelerate private sector DCFC and high-density L2 deployment while maintaining a high quality service.

There is a role for the Commission as a light-touch, complaint-based backstop for local governments who have secured capital for DCFC which they then provided to utilities to own and operate. Of course, these local governments have a strong interest in continued quality service provided by utilities and are confident that utilities will do so…and it would be helpful to have access to the commission if the unexpected happens and utilities for whatever reason have a significant, ongoing drop in service performance.

CEA encourages Province of BC and BCUC to regulate at a level appropriate for this investment of up to $5 million over several years by the utilities (see Q1 response for math behind this).

Yours sincerely,

Dale Littlejohn

Dale Littlejohn, Executive Director, Community Energy Association

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1. In the absence of price regulation, how can EV charging providers that are not otherwise public utilities (which would be exempt from regulation in accordance with the Panel's recommendation) be protected from being undercut by non-exempt public utilities? Should non-exempt public utilities be restricted to participate only in remote geographical locations that are currently uneconomical for exempt EV charging providers to serve?

Private sector DCFC deployments are already underway in BC by Petro Canada and Canadian Tire as part of their national networks. These entities appear willing to sustain losses for several years to establish market presence, branding / marketing benefits, and to explore the potential for an increase in retail sales. It is possible that the private sector could undercut utility charging rates given other ancillary benefits.

It is CEA's argument that the private sector does not need the commissions protection by regulating rates for utility EV charging. A more impactful approach to accelerating private sector deployment would be rate-basing 'make ready' (electrical extension,…) to enable more private sector actors to invest in DCFC infrastructure. This applies to DCFC and is also critical for high-density level 2 deployments in existing buildings such as strata's.

CEA encourages the commission and the Province to regulate at a level appropriate to the dollar amounts involved. The Province has published documents that suggest another 100 DCFC will be required in BC. A DCFC is about $100,000 installed. This is a $10 million investment over several years, likely largely supported by federal (NRCAN) grants, assuming utilities deploy 100% of the new DCFC. Assuming that 50% of the DCFC installed cost is through federal grants, this is a **$5 million investment**. Even if the province under-estimated DCFC requirements by 100%, this would still only be a $10 million net investment.

In the following table, CEA outlines recommended regulatory approaches to achieve desired outcomes across the spectrum of EV charging activities.

'EV Charging' Service	Approach	Results
Deployment: 'make ready'	Utility rate cases to include 'make ready' investments in rate base. Scope of 'make ready' to include private sector DCFC and high-density Level 2 deployments in existing buildings.	Increased private sector and public sector (transit providers) investment in DCFC and accelerated level 2 deployment in multi-unit residential buildings.
Deployment: DCFC equipment and installation	Utility rate cases to include DCFC equipment and installation net of federal / provincial grants with regular reviews to account for low carbon fuel standard credits that have been sold as a result of DCFC electricity provisioning to vehicles.	Accelerated utility DCFC investment
Sustainment: Maintaining a functional BC-wide DCFC network in a state of readiness	Establishing both a floor for service levels (network uptime, mean time to repair, response time, customer / EV charging applications updates and notifications, etc) could be costed and form the basis of utility rate-basing and BCUC oversight to ensure that targets are being met.	Confidence in level of service provided by utilities
Sustainment: Charging at a specific station by an EV user	Unregulated pricing allowing utilities to price according to market demands	Pricing varies with market conditions

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3. If non-exempt public utilities participate in the EV charging market, should EV charging customers constitute a separate class from which costs associated with EV charging infrastructure is recovered?

See Q1 argument.

4. Should other customer classes of non-exempt public utilities subsidize costs associated with the provision of charging services that can't be recovered from EV charging customers? How much of the cost is it appropriate for them to subsidize – should there be a cap?

See question 1.

5. If assets are stranded as a result of changing technology or other factors, who should pay for the potential stranded EV charging assets which may be in the non-exempt public utility's rate base?

The stranded asset discussion is a 'red herring' for a $5 million net investment which can be risk-managed by utilities.

6. In the context of BCUC economic regulation, what regulatory justification is required to allow existing utilities to cross subsidize EV charging services? If EV charging services add incremental load, does that justify cross-subsidization? Would the incremental load appear without the subsidization?

No comment.

8. Do non-exempt public utilities participating in the EV charging market, have any obligation to serve EV charging customers?

Yes, particularly if capital funds were provided by local governments to utilities and utilities made commitments to provide ownership and operation of the stations.

To achieve provincial public policy objectives on vehicle electrification, and to ensure a level of fairness across BC populations, it is important to establish a high quality EV charging service across all of BC including Northern BC so BC residents and businesses have reasonable access to EV charging.

Wholesale rate (p. 49 of the Phase 1 Report)

11. Is there a need for a specific tariff provisions for the wholesale provision of electricity for the purpose of EV charging?

See Q1

12. If so, how should this wholesale tariff be designed? Is a time of use rate appropriate? Should there be any differences depending on the type of EV charging – Level 1, Level 2, and/or DCFC stations?

Utilities can provide rate applications.

Safety (pp. 38 and 48 of the Phase 1 Report)

13. Section 3 of the Electrical Safety Regulation states that it "does not apply to a public utility as defined in the Utilities Commission Act in the exercise of its function as a utility with respect to the generation, transmission and distribution of electrical energy". Further, "distribution equipment" is a defined term in the UCA. Although it seems clear that EV charging equipment is not "generation or transmission", the

Panel did not make any finding in the Phase 1 Report on whether EV charging infrastructure is "distribution equipment." The Panel invites submissions on this issue in Phase 2.

In responding, Interveners are requested to consider the status of the provider – for example, is the interpretation different for a non-exempt public utility than it would be for an exempt utility or a provider excluded from the definition of a public utility?

No response.

Greenhouse Gas Reduction Regulation (p. 52 of the Phase 1 Report)

14. In Phase 2, the Panel invites submissions from Interveners on whether amendments to the Greenhouse Gas Reduction Regulation to allow public utilities to own and operate EV charging stations as a "prescribed undertaking" are appropriate and if so, the appropriate extent and scope of such undertaking.

CEA's preference is for a light, complaint-based, streamlined BCUC oversight role recognizing that regulatory approaches are most effective when adapted to the scale of the function that they are regulating.