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March 28, 2019

Mr. Patrick Wruck  
Commission Secretary and Manager  
Regulatory Support  
British Columbia Utilities Commission  
Suite 410, 900 Howe Street  
Vancouver, BC V6Z 2N3

Dear Mr. Wruck:

**RE: Project No. 1598941  
British Columbia Utilities Commission (BCUC or Commission)  
An Inquiry into the Regulation of Electric Vehicle  
Charging Service - Phase 2  
British Columbia Hydro and Power Authority (BC Hydro)  
Final Argument on Revised Scope**

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BC Hydro writes in response to BCUC Order No. G-50-19 to submit its Final Argument on the Revised Scope, to the extent that such information has not already been provided to the BCUC in BC Hydro's Phase 1 Final Argument and its responses to BCUC Questions on Phase 2 Scoped Items (January 28, 2019 submission).

### **Introduction and Overview**

This is BC Hydro's final argument in the second phase of the inquiry into the regulation of electric vehicle (**EV**) charging service (the **EV Inquiry**) initiated by the BCUC on January 12, 2018.<sup>1</sup>

BC Hydro has appreciated the opportunity to participate in the EV Inquiry and supports the BCUC's timely consideration of the remaining Phase 2 issues. Like many parties, BC Hydro submits that the sooner participants have clarity with respect to the issues being considered the better the EV market in B.C. will be able to develop.

Initially, the overall focus of Phase 2 of the EV Inquiry was whether non-exempt public utilities should provide EV charging services<sup>2</sup> and the BCUC identified 14 issues related to this overarching question.<sup>3</sup>

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<sup>1</sup> BCUC Order No. G-10-18.

<sup>2</sup> By Order No. G-231-18, Exhibit A-37, Appendix A.

<sup>3</sup> *Ibid.* (The 14 scope items were provided in Appendix A of BCUC Order No. G-231-18).

At the February 27, 2019 procedural conference, the BC Ministry of Energy, Mines and Petroleum Resources (**MEMPR**) stated that the province of B.C. both supports investments in electric vehicle charging services by non-exempt public utilities, and that it is appropriate for non-exempt public utilities to recover those costs from ratepayers.<sup>4</sup>

As previously stated, BC Hydro believes that the participation of non-exempt public utilities, like itself and FortisBC Inc. (**FBC**) are essential to the development and success of the EV market in B.C.

BC Hydro is, therefore, pleased that the BCUC has determined that “there is a role for non-exempt utilities in providing public EV charging services” and has narrowed the scope of Phase 2 of the inquiry to focusing on issues related to the manner in which they should participate.<sup>5</sup>

On January 28, 2019, BC Hydro and 18 other interveners provided submissions with respect to the 14 scope items originally identified by the BCUC for consideration in Phase 2. Those submissions were a mix of argument and evidence and some of the issues identified for consideration in Phase 2 were fully addressed by various parties, including BC Hydro, in their Phase 1 submissions.

In an effort to avoid unnecessary repetition, BC Hydro therefore relies on its submissions in Phase 1 and those already provided on January 28, 2019 as answers to the BCUC’s remaining Phase 2 scope items and provides a very brief and high level summary of some of the more important points below. BC Hydro does however reserve its right to reply to any submissions made by a party in argument.

### **Participation of Non-Exempt Utilities in the EV Market**

At the procedural conference, MEMPR confirmed the Province’s support for investments in electric vehicle charging services by non-exempt public utilities but stated that it was still considering its options as to how best to achieve its policy goals – whether by legislative or regulatory change.<sup>6</sup> MEMPR also confirmed the Province’s intention to move quickly regardless of the mechanism chosen.

In Order No. G-50-19, the BCUC acknowledged the importance of this policy objective and stated that it will issue its recommendation on this issue as soon as possible following receipt of final and reply arguments.<sup>7</sup>

In Part III of BC Hydro’s Phase 1 Final Argument, BC Hydro provided extensive submissions with respect to amendments to the Greenhouse Gas Reduction Regulation

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<sup>4</sup> Procedural Conference Transcript Volume 10, MEMPR, pages 691 to 692.

<sup>5</sup> By Order No. G-50-19, Exhibit A-41.

<sup>6</sup> Procedural Conference Transcript Volume 10, MEMPR, page 692.

<sup>7</sup> *Ibid.*

(**GGRR**) that could be used to allow public utilities to own and operate EV charging stations as a “prescribed undertaking.”<sup>8</sup> While the GGRR, in its current form, offers parties like BC Hydro and Fortis (that are already regulated by the BCUC) some exemption, as previously argued, those exemptions are too narrow and do not set an appropriate foundation for the participation of non-exempt public utilities in the EV sector more generally. As such, at Appendix B of its Phase 1 Final Argument, BC Hydro provided draft language of potential amendments to the GGRR that it proposed the BCUC recommend to the Province.

In BC Hydro’s January 28th submissions, in response to Question 14 BC Hydro confirmed that while amendments to the GGRR are one mechanism the Province could consider, it is not the only option and a direction (pursuant to section 3 of the *Utilities Commission Act*) from the Lieutenant Governor In Council to the BCUC could also serve to achieve the Province’s stated electrification goals and facilitate non-exempt public utility involvement in the EV market.

Regardless of the mechanism chosen, BC Hydro supports the BCUC’s intended issuance of recommendations to the Province with respect to a mechanism that could further the participation of non-exempt public utilities in the EV charging market as soon as possible and the Province’s quick resolution of the issue (whether by amendments to the GGRR or otherwise).

### **Remaining Phase 2 Scope Items**

In Order No. G-50-19, the BCUC revised the Phase 2 scope items (specifically, it removed consideration of scope items 2, 7 and 9) and stated that it will provide high level guidance for future applications with respect to scope items 1, 3 to 6, 8,11 and 12 in a second report (following the issuance of its recommendation on scope items 13 and 14).<sup>9</sup> The BCUC did not indicate when the expected timing of that report would be but BC Hydro requests that, like the issuance of the first report, it be issued in a timely way in the event it informs the development of future rate applications.

While BC Hydro supports the revised scope and agrees that high level recommendations with respect to general principles could be helpful and appropriate, BC Hydro submits that the BCUC should refrain from making detailed determinations on issues like rate design, cost of service or stranded assets in the context of this Inquiry when those issues can be fully and completely canvassed by the BCUC and all parties in a future rate design or revenue requirement application.

As BC Hydro provided in its January 28, 2019 submissions, “the need for specific tariff provisions for the wholesale provision of electricity for EV charging, and the suitability of various rate structure options, depends on the legal and policy context that a utility

<sup>8</sup> Refer to pages 9 to 14 of BC Hydro’s Phase 1 Final Argument, Exhibit C1-5.

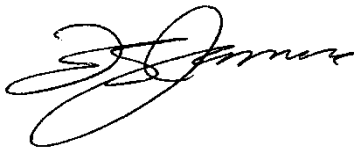
<sup>9</sup> BCUC Order No. G-50-19, Exhibit A-41, Appendix A, Summary Table.

operates in as well as each individual utility's cost drivers and customer needs."<sup>10</sup> In the absence of a specific application before it, BC Hydro stresses the importance of consideration of these scope items in their appropriate venue and based on a full record of evidence.

BC Hydro also notes that the mechanism ultimately chosen by the Province to enable the participation of non-exempt public utilities in the EV charging market will necessarily inform rate design and a myriad of other issues. As such, BC Hydro submits it would be prudent to wait for the Province's proposed legislative changes before making any detailed determinations with respect to those issues.

For further information, please contact Anthea Jubb at 604-623-3545 or by email at [bchydroregulatorygroup@bchydro.com](mailto:bchydroregulatorygroup@bchydro.com).

Yours sincerely,



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<sup>10</sup> BC Hydro January 28, 2019 Submissions, Exhibit C1-7, Question 11.