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April 10, 2019

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

Dear Mr. Wruck:

**Re: British Columbia Utilities Commission (BCUC) Inquiry into the Regulation of Electric Vehicle (EV) Charging Service (Inquiry) – Phase 2 ~ Project No. 1598941
FortisBC Inc. (FBC) Reply Argument**

In accordance with BCUC Order G-50-19 establishing the Regulatory Timetable for final and reply arguments on the revised scope in Phase 2 of the Inquiry, attached please find FBC's Reply Argument.

If further information is required, please contact David Perttula at (604) 592-7470.

Sincerely,

FORTISBC INC.

Original signed:

Doug Slater

Attachment

cc (email only): Registered Parties

BEFORE THE BRITISH COLUMBIA UTILITIES COMMISSION

**AN INQUIRY INTO THE REGULATION OF
ELECTRIC VEHICLE CHARGING SERVICE**

PHASE TWO REPLY SUBMISSION OF FORTISBC INC.

April 10, 2019

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PART ONE: INTRODUCTION

1. In light of the nature of Phase Two of the Inquiry, in this Reply Submission FortisBC Inc. (FBC) has limited its reply to a few items raised in the submissions of other interveners that are of greater importance to FBC. FBC's silence on a particular issue should not be construed as agreement with the submissions of other interveners.
2. This submission provides FBC's reply with respect to the following matters:
 - (a) FBC's position is that while not the only statutory tool available, prescribed undertakings under the *Greenhouse Gas Reduction (Clean Energy) Regulation (GGRR)* represent a reasonable way to facilitate non-exempt public utility provision of electric vehicle (EV) charging services as long as the language of the prescribed undertaking allows non-exempt utilities to efficiently deploy EV charging services;
 - (b) The "case by case" approach for the review of EV charging proposals urged by some interveners should be avoided as it is unnecessary and would result in an unnecessary regulatory burden; and
 - (c) Concerns raised by some interveners with respect to service connections for exempt EV charging service providers are unfounded.

PART TWO: SUBMISSIONS

A. CLARIFICATION OF PRESCRIBED UNDERTAKINGS UNDER THE *GGRR* IS APPROPRIATE AND SHOULD NOT BE CONSTRAINING

3. As FBC set out in its Phase Two Submission, while EV charging service can be accommodated already as a prescribed undertaking under the *GGRR*, a recommendation from the BCUC that the *GGRR* be amended to allow specifically for the deployment of EV charging stations and related infrastructure by non-exempt public utilities as prescribed undertakings would facilitate further investment in, and development of, EV charging infrastructure to accelerate the achievement of climate action and other government policy goals.

4. FBC submits that the use of an amendment to the *GGRR* to clarify the circumstances under which non-exempt public utilities are able to provide EV charging services is an appropriate method by which to encourage non-exempt utility participation. Any limits to non-exempt public utility involvement included in the terms of a new or revised prescribed undertaking should be carefully tailored so as to not unduly restrict efficient and timely deployment of EV charging infrastructure by non-exempt public utilities.

Use of Prescribed Undertakings is Appropriate

5. ChargePoint Inc. (ChargePoint) submitted that the BCUC should recommend a legislative direction other than a *GGRR* amendment to achieve government's objectives, such as a special direction under the *Utilities Commission Act* or an amendment to the *Clean Energy Act*.¹ FBC would also support the use of a mechanism other than, or in addition to, an amendment to the *GGRR*. In FBC's submission, the use of prescribed undertakings is appropriate, but the ultimate outcome of facilitating increased non-exempt public utility participation in the provision of EV charging service is more important than the particular statutory means used to obtain this result.

¹ ChargePoint submission, p. 5.

6. FBC disagrees with the concerns expressed by the Commercial Energy Consumers Association of British Columbia (CEC) with the use of prescribed undertakings.² Matters such as an end-point for non-exempt utility participation and the size of any investment could be addressed in the description of the prescribed undertaking itself. These concerns do not provide a justification to entirely eschew the use of a prescribed undertaking to facilitate non-exempt public utility participation to stimulate the EV charging market. CEC submits that the use of a prescribed undertaking is premature and that the EV charging market should be left to develop.³ In FBC's submission, such inaction would hinder non-exempt public utility involvement in providing EV charging service, which most interveners, including the provincial government, support.

Overly-Prescriptive Prescribed Undertaking Amendments may Limit their Effectiveness

7. While BrightSide Solutions Inc. (BrightSide) believes that the *GGRR* and associated prescribed undertakings are the appropriate vehicle for non-exempt public utility participation in the provision of EV charging stations,⁴ it says that "clear and transparent limits need to be set to govern utility investment in EV charging station deployment".⁵ FBC accepts that limits may be imposed as part of a *GGRR* amendment and that clarity and transparency are desirable, but cautions that the consequence of any limits could be reduced investment and involvement from non-exempt public utilities. Accordingly, any limits should be carefully considered. FBC would hope that it and other non-exempt public utilities would have an opportunity to comment on the proposed language of any amendments before they are put in place, particularly if they deviate from the proposed prescribed undertaking amendment language provided by BC Hydro in Phase One to which FBC proposed refinements in its submissions.

² CEC Submission, pp. 5-6.

³ CEC Submission, p. 5.

⁴ BrightSide Submission, p. 7.

⁵ BrightSide Submission, p. 3.

8. FBC does not agree with the submission of the BC Sustainable Energy Association and Sierra Club BC (BCSEA) that at the present time the prescribed undertaking with respect to EV charging should be limited to BC Hydro and FBC.⁶ FBC supports broad participation in the EV charging market and does not agree that there is any reason that other non-exempt utilities should not have, at minimum, similar opportunities as BC Hydro and FBC to participate in the provision of EV charging service. Non-exempt public utilities other than BC Hydro and FBC may have unique opportunities to support the achievement of public policy and climate change objectives in this area.

B. THE “CASE-BY-CASE” APPROACH SHOULD BE AVOIDED

9. Unnecessarily onerous review of investments in EV charging service by non-exempt utilities should be avoided.

10. The Clean Energy Association of BC (CEABC) submitted that existing public utilities “should be required to file overall business cases/applications for the investments they intend to make in EV Charging Services”.⁷ CEC’s position appears to be more stringent than CEABC’s, suggesting that “EV charging initiatives should be reviewed on a case-by-case basis”.⁸

11. FBC submits that in considering the level of review that is appropriate, the BCUC should be cognizant of the relatively small size of any potential investments, and that “case-by-case” review could be overly burdensome, creating deployment delays and adding cost. The use of prescribed undertakings does not prevent the BCUC from monitoring non-exempt public utility participation in providing EV charging service. The BCUC maintains responsibility for approving EV charging service rates, and approving the utilities’ revenue requirements. FBC also notes that a utility is required to provide reports with respect to prescribed undertakings on the minister’s request.⁹ If additional monitoring is determined to be worthwhile, FBC suggests that annual reporting to the BCUC with respect to EV charging service programs, or

⁶ BCSEA Submission, p. 9.

⁷ CEABC Submission, p. 2.

⁸ CEC Submission, p. 1.

⁹ *Clean Energy Act*, s. 18(4).

another similar mechanism, would be less burdensome from a regulatory perspective than requiring case-by-case applications.

C. THERE IS NO BASIS FOR THE SERVICE CONNECTION CONCERNS EXPRESSED BY SOME INTERVENERS

12. Interconnection concerns raised by some interveners in their submissions are without foundation. CEABC suggests that FBC should be required to process connection requests from other EV charging service providers within specified timelines.¹⁰ Similarly, BrightSide suggests that utility providers might discriminate in providing interconnection services.¹¹

13. These concerns are entirely speculative. FBC's tariff, as well as provisions of the *UCA*, prevent undue discrimination in connecting new customers or loads and FBC does not understand the basis for the argument, particularly as this type of new load generally mitigates customer rates. The issue has not been raised by any exempt EV charging providers, who would be the ones directly affected. FBC does not anticipate any undue delay in meeting EV charging service connection requests, which would not differ in any material respect from other commercial customer service requests. In many cases, EV charging load may just be a portion of a customer's overall electricity requirement, or represent incremental load to an existing connection. Moreover, the BCUC's complaints process remains open, if necessary. There is not need for the BCUC to establish timelines for service connections as suggested by CEABC.

¹⁰ BrightSide Submission, p. 4.

¹¹ BrightSide Submission, p. 4.

PART THREE: CONCLUSION

14. The provision of EV charging service by non-exempt public utilities should be encouraged. An amendment to the *GGRR* that is drafted to facilitate non-exempt utility participation is a desirable approach to take. Any framework put in place should avoid overly burdensome requirements which could have the effect of unduly restricting non-exempt public utility provision of EV charging service and negatively impacting the achievement of important climate action and public policy objectives. Service connection concerns raised by some interveners are speculative and do not need to be addressed by the BCUC at this time.

ALL OF WHICH IS RESPECTFULLY SUBMITTED.

Dated:

April 10, 2019

[original signed by Doug Slater]

Doug Slater