

Fred James

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April 13, 2021

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. 1598940
British Columbia Utilities Commission (BCUC or Commission)
FortisBC Inc. (FortisBC) Rate Design and Rates for Electric Vehicle (EV)
Direct Current Fast Charging Service Application (FortisBC Application)
British Columbia Hydro and Power Authority (BC Hydro)
Submission in Accordance with Request in Exhibit A-15**

BC Hydro writes in accordance with the regulatory timetable set out by BCUC Order No. G-90-21 to provide its submissions to address the supplemental question requested by the BCUC as stated in Exhibit A-15 of the FortisBC Application proceeding.

Specifically, the BCUC asked:

Should the BCUC direct the variance, if any, between the interim and permanent rates be recovered, or refunded as the case may be, in the permanent rates for customers of FBC's EV charging service?

- a. If so, what are the implications of doing so.
- b. If not, why not.

BC Hydro in general supports FortisBC's position articulated in its submission on April 6, 2021 that there is no need to direct a refund of any difference, as in FortisBC's case it will be minimal (estimated at around \$8,000). If the BCUC does direct a refund to or recovery from all customers rather than just electric vehicle fast charging service customers, BC Hydro is of the view that the best mechanism to return or recover any difference would be through the use of an existing and applicable regulatory account (in the instance of BC Hydro, it would be the Load Variance Regulatory Account).

Based on BC Hydro's experience with, and plan for, its electric vehicle fast charging service, BC Hydro submits that refunding to or recovering from individual electric vehicle

fast charging service customers on a retroactive basis would be administratively difficult and costly and in some cases not possible. For BC Hydro, electric vehicle fast charging service is not linked in any way to any BC Hydro existing residential or general service accounts or premises. Payment for fast charging service must be made at the end of each charging session, and not on a billing cycle. In all cases, payment is preauthorized prior to the charging session commencing, and payment is made in full when the charging session completes. Based on the method of electric vehicle charging station activation and payment, the fast charging service customer/station user may remain anonymous.

If the BCUC intends to direct the variance between an interim rate and a permanent rate being recovered from or refunded to electric vehicle fast charging service customers after the approval of permanent rates and on a forward basis, BC Hydro submits that a temporary rate rider as proposed by FortisBC could be a workable solution, although it would impose administrative costs and complexity.

As the BCUC seems to have acknowledged that the variance may also be refunded to or collected from all classes of customers (rather than just the electric vehicle fast charging service customers)¹, BC Hydro submits that this approach would be consistent with section 18(2) of the *Clean Energy Act*, which states that

In setting rates under the *Utilities Commission Act* for a public utility carrying out a prescribed undertaking, the commission must set rates that allow the public utility to collect sufficient revenue in each fiscal year to enable it to recover its costs incurred with respect to the prescribed undertaking.

Section 18 does not specify from whom the revenue should be recovered. For fast charging stations that qualify as prescribed undertakings under the *Clean Energy Act* and the Greenhouse Gas Reduction (Clean Energy) Regulation, a public utility, like FortisBC and BC Hydro, can recover costs from all ratepayers and not just from those who use the electric vehicle fast charging service.

Thus, to recover or refund any variances on a going forward basis, BC Hydro submits that the BCUC:

- (i) Could approve a rate rider that is applicable only to those rate schedules for electric vehicle fast charging services;
- (ii) Could approve a rate rider that is applicable to all rate schedules; or

¹ BCUC Order No. G-89-21, Directive 2 (“The BCUC will determine the manner by which any variance between approved interim rates and permanent rates, including interest if any, will be refunded to or collected from customers or a class or classes of customers at the time the BCUC renders its final decision on the Application.”)

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(iii) Could allow the variances to flow through an applicable regulatory account (in the instance of BC Hydro, it would be the Load Variance Regulatory Account).

To manage administrative costs and complexity, BC Hydro supports the approach outlined in number (iii) above. If the first two mechanisms are used, BC Hydro submits that the rate rider should be applied until such time the variance is zero.

Yours sincerely,



Fred James
Chief Regulatory Officer

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