



January 12, 2018

Sent via email

To: Stakeholders

BCUC REGULATION OF ELECTRIC VEHICLE CHARGING SERVICE INQUIRY EXHIBIT A-1

Re: British Columbia Utilities Commission – An Inquiry into the Regulation of Electric Vehicle Charging Service – Establishment of Inquiry

By Order G-10-18, the Commission has established an Inquiry to review the regulation of electric vehicle (EV) charging service. A Commission order establishing the regulatory process and timetable will follow.

In Order G-9-18 dated January 12, 2018, relating to the FortisBC Inc. EV charging service application, the Commission noted that the rate design and rates for EV charging, including the services provided by EV charging stations, are currently in an early development stage in BC and other entities may emerge over time to provide EV charging service. The Commission found that there are merits for a general inquiry to explore the potential regulatory issues in the EV charging stations market which may have broader stakeholder impacts.

To provide context to the matters that may be reviewed in the Inquiry, the Commission provides a list of potential regulatory issues that were noted in Order G-9-18:

1. Do EV charging stations operate in a competitive environment in BC or are they a natural monopoly service?
2. Are the customers of EV charging stations captive or do they have a choice?
3. Should the Commission regulate the services provided by EV charging stations? What are benefits and detriments to such regulation?
4. Should the rate design of EV charging stations be established under a public utility's traditional cost of service model or some other model? And within that context, what are the customer pricing options (e.g. energy-based rate vs. time-based rate)?
5. Should the EV charging station service rate be based on a public utility's existing wholesale or commercial retail rate or some other rate?
6. Should public utilities include EV charging stations in their regulated rate base or through a separate non-regulated entity?
7. If public utilities provide EV charging services within their regulated business, is there a risk of cross subsidization from other rate classes to support this new service and if so, is the proposed rate design potentially unduly discriminatory?

Sincerely,

Original signed by:

Patrick Wruck
Commission Secretary

LC/kbb

Enclosure

cc: FBC PBR participants; BC Hydro RRA participants; Union of BC Municipalities



ORDER NUMBER
G-10-18

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

British Columbia Utilities Commission
An Inquiry into the Regulation of Electric Vehicle Charging Service

BEFORE:

D. M. Morton, Commissioner

on January 12, 2018

ORDER

WHEREAS:

- A. By Order G-9-18 dated January 12, 2018, the British Columbia Utilities Commission (Commission) issued an order relating to the FortisBC Inc. (FBC) Application for Approval of Rate Design and Rates for Electric Vehicle (EV) Direct Current Fast Charging (DCFC) Service. A time-based rate of \$9.00 per 30-minute period for EV charging at FBC-owned DCFC stations was approved on an interim basis, effective January 12, 2018;
- B. In Order G-9-18, the Commission notes that the rate design and rates for EV charging, including the services provided by DCFC stations, are currently in an early development stage in the province of British Columbia and other entities may emerge over time to provide EV charging service. The Commission found there are merits for a general inquiry to explore the potential regulatory issues in the EV charging stations market which may have broader stakeholder impacts; and
- C. The Commission has considered the matters relating to EV charging service. Given the developments in the EV charging service in BC, and the potential impact to stakeholders, the Commission has determined that an inquiry into the regulation for EV charging service is warranted.

NOW THEREFORE pursuant to section 82 of the *Utilities Commission Act*, the Commission establishes an inquiry to review the regulation of EV charging service. A Commission order establishing the regulatory process and timetable will follow.

DATED at the City of Vancouver, in the Province of British Columbia, this 12th day of January 2018.

BY ORDER

Original Signed By:

D. M. Morton
Commissioner