

**Vancouver Electric Vehicle Association (VEVA)
Written Evidence**

BCUC Regulation of Electric Vehicle Charging Service Inquiry

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Submitted By: Weisberg Law Corporation, counsel to VEVA

Q: Why is VEVA filing Written Evidence in this Inquiry?

A: In the 30 years since its establishment, Vancouver Electric Vehicle Association (VEVA) has actively promoted and developed a general interest in the use of electric vehicle transportation as an alternative to the internal combustion engine. VEVA commends the Commission for initiating the Regulation of Electric Vehicle Charging Service Inquiry, which has the potential to serve as a key milestone in the growth of electric vehicle (or EV) usage in British Columbia.

The current state of EVs and charging stations in British Columbia reflects a classic “the chicken or the egg” causality dilemma. VEVA views adequate and appropriate electric vehicle charging infrastructure as a critical success factor for broad, successful adoption of electric vehicles in the province.

Q: What perspective is provided by VEVA’s Written Evidence, and how may that perspective assist the Commission in making the required determinations?

A: VEVA members are owners, drivers and/or proponents of electric vehicles. VEVA’s members are also ratepayers of BC Hydro and FortisBC. Based on our review of other parties’ Requests to Intervene, VEVA understands that it represents the largest group of EV owners/drivers/proponents registered as an Intervener in this Inquiry. Facilitating the broad, successful adoption of EVs in British Columbia is central to VEVA’s mandate and a key motivator of individual members’ choice to join VEVA.

VEVA has actively promoted the benefits of electric vehicles and participated in providing input regarding development of the required electric vehicle charging facilities and systems in Vancouver and across British Columbia.

Beyond its own membership, VEVA actively hosts, promotes and participates in public events that raise awareness of the benefits and challenges of EV ownership and use. For example, VEVA

runs its own ElectraFest event, participates in the annual Vancouver Auto Show, and attends numerous community events such as the Surrey Fusion Festival, Richmond World Festival, and many others. Through face-to-face interaction with the general public at such events and public awareness activities, VEVA has gained a deep understanding of and unique insights into the factors that determine whether a prospective owner will purchase and use an EV. Limited access to charging is the top concern related to EV ownership that is consistently identified by the general public in communications with VEVA.

VEVA believes that the motivations and concerns of prospective EV owners are an essential topic of evidence that should inform the Commission's determinations in this Inquiry. VEVA's purpose and history, experience with EV ownership and members' skill sets, insights gained through assisting individuals to purchase EVs and charging systems, and frequent media requests to comment on EV topics, all contribute to VEVA being uniquely situated to contribute to the Commission's understanding of how and why regulation of electric vehicle charging service in British Columbia may impact adoption of EVs in the province. Appropriately addressing the issues that will be the focus of this Inquiry is essential to facilitate further adoption, continued growth and geographical expansion of electric vehicles in British Columbia.

Q: Does VEVA, or its individual members, possess specific expertise that may assist the Commission in making its determinations?

A: Yes, VEVA's membership includes individuals with skill sets and experience including:

- a. in-depth technical knowledge of EVs;
- b. charging technology and research;
- c. automotive and electrical engineering;
- d. commercial development of EVs and/or charging infrastructure; and
- e. transportation planning.

VEVA anticipates that the range and depth of its members' skills and expertise may be called upon to further the Commission's understanding of the issues through further process steps in the Inquiry, which VEVA suggests may include one or more of the following:

- a. Information Requests to Interveners related to their filed written evidence;
- b. a workshop under direction of the Panel to facilitate an efficient exchange of information and provide a forum for discussion;
- c. a further round of Written Evidence perhaps focused on specific issues or topics identified by the Commission; and
- d. an oral hearing to test Interveners' Written Evidence through cross-examination.

Q: Is VEVA's Written Evidence applicable to circumstances across British Columbia?

A: Yes. Although "Vancouver" is specifically referenced in the name of the association, VEVA has members from the Lower Mainland and all over British Columbia as well as other provinces and states. VEVA also maintains close contact with other electric vehicle associations and groups in the province. VEVA is a member of Electric Mobility Canada¹, a nation-wide non-profit group that promotes electric transportation. VEVA members also meet with the general public across the province at events such as grand opening of charging locations.

VEVA also contributes to a number of electrical code and building code standards and charging network protocols, and provides input to EV-related policies at all levels of government. For example:

- a. Municipal - input to the City of Vancouver Ecosystem Strategy, Port Coquitlam and Richmond bylaw changes to support EV charging;
- b. Provincial - input to charger deployment locations and strategies, meetings with government staff and elected officials (e.g. Ministries of Energy, Transportation and Infrastructure, Environment, etc.);
- c. Federal - participation in expert working groups for the federal Zero-Emission Vehicle (ZEV) Strategy initiative in the summer of 2017.

VEVA's policy work seeks to bring the voices of electric vehicle owners/drivers to the table, and VEVA is frequently the only stakeholder in a position to do so. Accordingly, VEVA's views and positions are informed by members, activities and policies/standards across the province and beyond.

Q: Does VEVA believe that EV charging stations in British Columbia operate in a competitive environment or are they a natural monopoly service?

A: VEVA believes that charging stations in British Columbia currently operate in a competitive environment not a natural monopoly. VEVA strongly advocates an approach that will ensure conditions conducive to the rapid and broadly distributed development of EV charging

¹ <https://emc-mec.ca/about-us/>

stations. VEVA views an open, competitive market as the best means to achieve the necessary scale of charging infrastructure within a timeframe that reflects the rapidly accelerating pace of adoption of electric vehicles.

Necessary scale means having a quantity of charging stations commensurate with the number of EVs on the roads in British Columbia, having them distributed appropriately, and with a level of service that can cope with widespread use and adoption.

A system operating at scale means that EV drivers have reason to feel confident that they can:

- a. find a charger when and where they need one;
- b. avoid inordinate wait times at chargers;
- c. charge their EVs quickly; and
- d. be reasonably assured that any problems in the charging network will be addressed and resolved promptly.

EVs currently represent approximately 1% to 2% of new vehicle sales in British Columbia, but there is already congestion at chargers. It is not practical for many EV owners to take road trips, such as from Hope to Kelowna in the winter. Accordingly, the need for more fast charging stations is immediate.

Over the next two years, there will be dozens of new EV models introduced with longer range and lower price tags. We can expect the pace of adoption of EVs to accelerate substantially. It can take several months to plan, site, and deploy high-power chargers. To meet the expected growth in EV ownership, charging station development work must begin right away.

Charging stations are not the type of facilities that create natural monopolies, as they don't require very large investments by a single service provider. Charging stations are much more analogous to broadly distributed individual gas stations that are owned and operated by a number of competitors, which in the aggregate create an infrastructure network providing fuel service options at a variety of locations. Charging stations are typically owned and operated by a number of different entities and site hosts (e.g. municipalities, workplaces, utilities, malls, restaurants, strata councils, resident groups, etc.) with a number of companies supplying charging stations and services into that market. As a result, management of charging stations

involves a far more diverse group of participants than gas stations. Just as there is no logical basis for a single player to be the sole distributor of gasoline within a large service territory, it would not be desirable or appropriate for just a few entities to be the sole providers of EV charging services at all locations across the province.

Q: Does VEVA view a choice of charging station providers as desirable or necessary?

A: In the world of EV charging, technology is moving fast and getting faster. Innovations such as smart load management and chargers coupled with stationary storage are being developed by private companies and have the potential to completely change the economics and user experience of charging. VEVA is confident that competition will encourage further innovation.

A choice of providers will also encourage innovative business models, for example, where chargers are subsidized by advertising revenues, or where chargers are integrated into a new kind of social center with coffee shops and convenience stores. Tesla is already developing such concepts.

EV owners will also benefit from having choices for how their charging is priced: by time, by session or by energy, for example.

Q: Is VEVA aware of how other jurisdictions in Canada or the United States have addressed the issue of exempting or excluding EV charging or EV charging stations from their definitions of a “public utility”?

A: VEVA understands that Ontario Energy Board (OEB) staff issued a Staff Bulletin that stated:

“This Bulletin sets out OEB staff’s view that the **ownership or operation of an EV charging station, and the selling of EV charging services from that facility, do not constitute distribution or retailing.** OEB staff also notes that, for the purpose of this Bulletin, an EV charging station means a parking space equipped with electrical apparatus that is operated for the sole intended purpose of physically connecting with and charging an EV.”² (emphasis is in original document)

² https://www.oeb.ca/oeb/Documents/Documents/OEB_Bulletin_EV_Charging_20160707.pdf , p.2.

VEVA submits that OEB staff's reasoning in respect of those recommendations may be of assistance to the Commission, and accordingly we have provided a hyperlink to the Staff Bulletin in the footnote below.

Most recently, the Ontario Ministry of Transportation issued a press release stating in part:

“Ontario is making it easier to use electric vehicles to get to and from work by assisting employers, commercial building owners and managers to install charging stations at their workplaces. This investment is part of Ontario's [Climate Change Action Plan](#) and is funded by proceeds from the province's cap on pollution and carbon market.”³

VEVA also understands that 21 states and the District of Columbia have passed legislation and/or regulations that exempted or excluded charging stations from being regulated as utilities.

VEVA submits that those examples from across North America should inform the Commission's determinations in this Inquiry.

Q: Does VEVA support a similar type of exemption or exclusion to apply to charging stations in British Columbia?

A: Yes, VEVA believes that charging stations in British Columbia should be exempted or excluded from the definition of a “public utility” in the Utilities Commission Act, [RSBC 1996] CHAPTER 473 (UCA).

The UCA's definition of a “public utility” significantly predates the development of the technology deployed in current EV charging stations, so it is clear that the drafters of that definition were not in a position to contemplate current circumstances and requirements relating to EV charging.

To facilitate innovation and competition, charging station owners should have the flexibility to charge EV drivers for charging services by hour, session or energy. The services provided by chargers are not equivalent to the traditional sale of electricity as the service provided by the charging station is powering a vehicle's battery for the specific limited use of providing power to an EV. Charging stations are not extensions of the distribution system and use technologies specific to fueling an EV rather than the equipment to transmit and distribute electricity. In that

³ News Release - Ontario Making It Easier to Charge Electric Vehicles - Province Funding New Charging Stations at Workplaces
<https://news.ontario.ca/mto/en/2018/01/ontario-making-it-easier-to-charge-electric-vehicles.html>

respect, charging stations are comparable to cell phone charging kiosks, camping propane tanks/canisters, etc.

Q: Does VEVA see a need for BCUC regulation of charging stations in British Columbia?

A: VEVA does not believe that it would be necessary or appropriate to regulate charging stations as “public utilities” under the Commission’s jurisdiction.

Q: What is VEVA’s position regarding issues identified by the Commission relating to rate design, customer pricing options, existing or new public utility’s rates, and potential cross-subsidization of rates?

A: VEVA believes that public utilities such as BC Hydro and FortisBC should be part of the network of EV charging stations, but should not have monopoly power or effectively be granted the sole franchise to provide charging stations within their very large service territories. To the extent that public utilities own and operate charging stations it would be preferable to do so through a separate non-regulated entity. That approach would protect other customers of the regulated utility from potentially cross-subsidizing customers using the utility’s charging stations, and would also protect commercial competitors (i.e. other charging station providers) from the unfair advantage of a utility spreading charging station costs across a large regulated rate base.

To the extent that other utility-specific issues may arise, VEVA believes those would best be addressed in BC Hydro’s or FortisBC’s own applications to the Commission at some point after the Inquiry is concluded.

Q: Does VEVA have other concerns related to the widespread roll-out of EV charging stations across British Columbia?

A: VEVA much appreciates the Commission’s pro-active approach in conducting this Inquiry. In VEVA’s view, the Commission’s determinations can be a good starting point but are likely to require government initiatives to encourage and support the rapid implementation of a critical mass of charging stations, coordination with vehicle manufacturers and dealers and charging station operators, and subsequent Commission proceedings to address utility-specific issues such as rate design and cross-subsidization. Such further steps are likely to require appropriate sequencing, which may be informed by the evidence and submissions in this Inquiry.