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March 16, 2018

VIA ELECTRONIC FILING

Patrick Wruck, Commission Secretary
British Columbia Utilities Commission
Suite 410, 900 Howe St.
Vancouver, BC V6Z 2N3

**RE: British Columbia Utilities Commission Order G-10-18 / Project No.1598941
 Inquiry into the Regulation of Electric Vehicle Charging Service**

Dear Sir:

Please find attached ChargePoint's preliminary submission in this Inquiry. Please contact me if you have any questions.

Respectfully,

[original signed by]

Suzanne Goldberg

Canadian Director, Public Policy
ChargePoint

BRITISH COLUMBIA UTILITIES COMMISSION

ORDER G-10-18 / PROJECT NO.1598941

CHARGEPOINT, INC. PRELIMINARY SUBMISSION

1. Further to Order G-19-18, this document presents ChargePoint's comments concerning the preliminary scope of inquiry attached to the Order. Concise responses to the Commission's questions are provided in Appendix "A", and an introduction to ChargePoint and a high-level discussion of the relevant issues follow below.

ChargePoint looks forward to participating in the Inquiry, and providing more detailed comments in additional submissions once the Inquiry's form and content are finalized.

2. This document is specifically organized as follows:

- a summary of the submission (Section I),
- an introduction to ChargePoint (Section II),
- why EVCS owners and operators and charging services should not be considered public utilities under the *Utilities Commission Act* ("UCA") (Section III),
- Commission forbearance/exemption from the *UCA* if the Commission considers that the definition of public utility applies to EVCS owners and operators and charging services (Section IV),
- how the Commission should respond to existing public utility entrance into the competitive EV charging market (Section V),
- suggested next steps to address the issues raised by the Commission to date (Section VI), and
- summary responses to the Commission's preliminary scoping (Appendix A).

I. INTRODUCTION

3. ChargePoint is a global leader in EV charging networks, and is intervening in this Inquiry to assist the Commission so that the market for electric vehicles (“EVs”), electric vehicle charging stations (“EVCS”),¹ and EV charging services grows and remains competitive in British Columbia.

4. ChargePoint thanks the Commission for the opportunity to provide these comments. The Commission’s task is important. EV adoption represents a critical means for BC and Canada to meet their climate goals. Conveniently available charging infrastructure is a crucial need for more EV drivers. BC has the opportunity to increase EV adoption by fostering sustainable and widespread charging networks. Clarifying EVCS regulatory issues will help expand EV charging services and EV uptake.

5. Commission Order G-19-18 asks for comments regarding the “preliminary scope of the Inquiry”, namely the regulatory implications associated with EVCS providers, and the role of the utility relative to EVCS investment and pricing. In response, ChargePoint submits:

(a) The provision of EV charging services and EVCS, both “Level 2” and DC Fast Charging (“DCFC”), does not display the characteristics of a public utility, defined by natural monopolies, barriers to entry, and captive markets. EVCS and charging services are provided in a competitive market, which both protects consumers and offers them innovation and choice. Given the absence of any natural monopoly characteristics, the Commission should conclude that EVCS

¹ ChargePoint’s use of EVCS refers to both “Level 2” and Direct Current Fast Charge (known was DCFC) installations.

services to EV drivers are not public utility services, fall outside of its jurisdiction, and should not be regulated. That conclusion would align with rulings and decisions by Commissions in 20 other jurisdictions in the United States.

(b) Additionally, EVCS are typically located behind the utility meter, selling a charging *service* rather than the retail sale of electricity. Sites offer specialized infrastructure and equipment, going beyond the simple transfer of electrons (like many other services). In contrast, there is a retail sale of electricity between the electric distribution utility and the EVCS owner or operator, who is the customer of record with the utility. For this reason as well, the Commission should find that EVCS fall outside the definition of “public utility” under the *UCA*.

(c) Accordingly, the Commission should not regulate the transactions between EVCS owners and EV drivers. EVCS owners and operators should have the flexibility to set prices for charging services based on a time, session or energy (kWh) basis to optimize the utilization of stations and tailor the driver experience to the local use case. It is therefore procedurally efficient to consider the threshold issue of whether EVCS owners and operators are “public utilities” first in the Inquiry process. Doing so will allow for a more focused scope concerning appropriate Commission regulation in the EV space, such as how public utilities ought to enter the existing competitive EVCS market, or how electric distribution utility rates ought to treat EVCS site owners and operators.

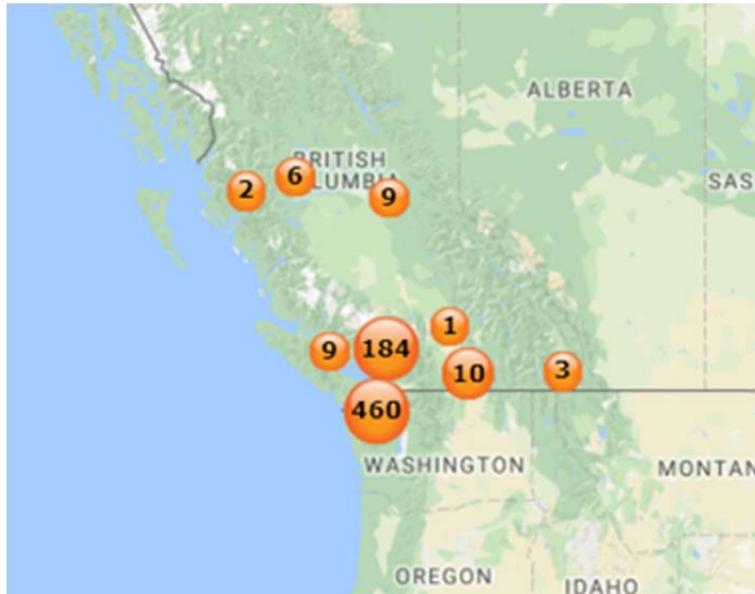
II. ABOUT CHARGEPOINT

6. ChargePoint is the leading EV charging network in the world, with charging solutions in every category EV drivers use to charge: home, work, around town and on the road. ChargePoint has more than 7,000 customers (businesses, cities, governments, MURBs), with more than 45,000 independently owned public and semi-public charging spots, including over 600 public charging ports in BC.

7. ChargePoint is the only charging technology company on the market that designs, develops and manufactures hardware and software solutions across every use case. Leading EV hardware makers, automakers, and other partners rely on the ChargePoint network to make charging station details available in mobile apps, online, and in navigation systems for popular EVs. ChargePoint drivers have completed more than 33 million charging sessions, saving upwards of 125 million litres of gasoline and driving over 1.3 billion gas-free kilometers.

8. Featured below in Figure 1 is a map of ChargePoint publicly available charging locations in British Columbia. ChargePoint customers in British Columbia include Simon Fraser University, the City of Vancouver, Grosvenor, and Vancouver International Airport (YVR). A number of customers also invest in charging stations onsite with private access controls.

Figure 1. ChargePoint publicly accessible charging ports in British Columbia.



9. ChargePoint’s business model is to sell smart, networked charging station equipment directly to entities, which then own and operate the charging stations on their properties. For a subscription, ChargePoint provides network services, or data-driven and cloud-enabled capabilities, that allow EVCS owners and operators to better manage their charging assets and optimize services.

10. For example, with those network capabilities, EVCS owners and operators can view data on charging station utilization and frequency and duration of charging sessions, set access controls to the stations, and set pricing for charging services. These features are designed to maximize utilization and align charging activities onsite with EVCS owners’ and operators’ particular objectives for investing in charging technologies. In addition, we have designed the network to allow other parties, such as electric utilities, the ability to access charging data and conduct load management to enable the most efficient load integration with the grid.

III. EV CHARGING STATION OWNERS AND OPERATORS SHOULD NOT BE CONSIDERED PUBLIC UTILITIES

11. ChargePoint recognizes that the Commission has, with the advance approval of the Lieutenant Governor in Council, previously issued an exemption from Part 3 of the *UCA* concerning EVCS services.² Recitals F and G in Order G-71-16 state:

F. The UCA defines a “public utility”, in part, as “a person, or the person’s lessee ... who owns or operates in British Columbia, equipment or facilities for the production, generation, storage, transmission, sale, delivery or provision of electricity ... to or for the public or a corporation for compensation.”;

G. With the \$0.35 per kilowatt-hour fee for the provision of EV charging services to the public, EcoDairy’s EV DCFC station will then be operating for resale of electricity to the public for compensation. It will therefore be a public utility as defined by the UCA;

12. ChargePoint notes, however, that neither the Commission’s order nor the underlying record analyzed whether EVCS services properly satisfy the definition under the *UCA*. As other Commission proceedings have recognized, the *UCA* defines “public utility” exceptionally broadly, and the definition must be applied in harmony with the goals and objects of the legislation. Failing to do so risks inefficient regulation, absurd results, and harm to an existing competitive market. For example, the above rationale applies equally well to paid airport smart phone battery-charging kiosks.³

13. The Commission Panel in the “Inquiry Into the Offering of Products and Services in Alternative Energy Solutions and Other New Initiatives” (the “AES Inquiry”) recognized that the “literal interpretation of the definition of ‘public utility’ in the *UCA* could lead to the absurd result [that] a host of services and technologies that are

² Order G-71-16, re Bakerview EcoDairy Ltd. Application for Exemption from Part 3 of the Utilities Commission Act for Electric Vehicle Charging Service Providers.

³ E.g., <https://www.smartecarte.com/press/march-2006-smarte-cartes-rapid-charge-cell-phone-charging-kiosk-takes-off-at-airports/>

available in a competitive marketplace would require regulation.” The Commission confirmed that its interpretation and application of the *UCA* should take into account the market context, specifically the “degree to which natural monopoly characteristics are present and whether the consumer requires protection.”

14. ChargePoint concurs, and submits that the Commission should come to the same conclusions in these circumstances, consistent with the approach that similar jurisdictions have taken (discussed further below). EVCS owners and operators do not possess the characteristics of the electric utilities targeted by the *UCA* because they neither sell power alone, nor possess the barriers to entry / captive market characteristics of a natural monopoly. More specifically:

- Whereas electric utilities transmit and distribute electricity over systems of wires and circuits, capable of powering a near-infinite variety of activities, EVCS deliver services via specialized cords and connectors, specific to the activity of charging. The single service that EVCS owners and operators provide to EV drivers is charging an EV battery in a convenient location.
- EVCS owners and operators participate operate in a competitive market. The relationship between EVCS owner/operator and EV driver is fully competitive, and akin to (unregulated) gas stations or cell phone battery-charging kiosks at the airport. In BC, a number of vendors supply EVCS to a diverse number of owners and operators. This diverse set of EVCS owners and operators provide EV drivers with many different locations and options to charge their vehicles. According to Natural Resources Canada’s Electric Charging and Alternative Fuelling Stations Locator, there are 1,237 public charging ports in BC provided

by a wide range of EVCS owners and operators. Appendix “B” displays a map of public charging stations and EVCS owners and operators across BC. For example, and as mentioned, many of the selling features of ChargePoint’s products help *individual* EVCS owners/operators compete against, or collaborate with, other owners/operators to attract EV charging customers.

15. As a result, transactions between EVCS owners and operators and an EV driver cannot be compared to a traditional sale of electricity by a regulated electric utility to a consumer. EVCS owners and operators provide competitive services that are market based, and the consumers of EV charging services, EV drivers, do not require the same protections as they would with electric utilities providing a monopoly service.

Innovations in EV charging services and pricing, where EVCS owners and operators can charge for EV charging services by time, session or energy, provide customers with choice and create competitive market dynamics through service differentiation.

16. ChargePoint therefore recommends that the Commission should conclude that it does not have a role in regulating how EV drivers and EVCS owners and operators transact, because EVCS owners and operators do not possess any of the characteristics of a “public utility” under the *UCA*. If the provider is otherwise a public utility, then additional considerations apply, discussed below. Explicit recognition that EVCS site hosts and EV charging services are excluded from the definition of “public utility” would be consistent with the current state of competitive EV charging markets elsewhere that ChargePoint participates in. Those markets, in turn, are driving innovation, customer choice, and private investment.

17. Currently, 20 states and the District of Columbia have determined, through statutory amendment or regulatory clarification, that charging services provided by non-utility third party EVCS owners and operators are outside of regulatory commission jurisdiction.⁴ For example, the Missouri Public Service Commission (“MPSC”) is one of the most recent regulatory bodies to consider electric vehicle charging policy and make such a determination. The MPSC held:

*The Commission finds that EV charging stations are not “electric plant” as defined in the statute because they are not used for furnishing electricity for light, heat, or power. EV charging stations are facilities that use specialized equipment, such as a specific cord and vehicle connector, to provide the service of charging a battery in an electric vehicle. The battery is the sole source of power to make the vehicle’s wheels turn, the heater and air conditioner operate, and the headlights shine light. The charging service is the product being sold, not the electricity used to power the charging system.*⁵

18. In California, one of the first states to take up this issue of policy, the public utilities commission determined that:

Facilities that are solely used to provide electricity as a transportation fuel do not constitute “electric plant” pursuant to Pub. Util. Code § 218. Thus, an entity owning, controlling, operating, or managing electric vehicle charging facilities is not an “electric corporation” pursuant to Pub. Util. Code § 218 and not a “public utility” pursuant to Pub. Util. Code § 216, unless an entity falls under § 216 and § 218 for other reasons. As such, the Commission would not have regulatory authority regarding the price that an electric vehicle charging facility operator charges for charging services or other aspects of the operation of such facilities unless the

⁴ Arkansas Code § 23-1-101(9); Cal. Pub. Util. Code, § 216(I); Colo. Rev. Stat. § 40-1-103.3(2); CT Section 16-1 of the 2016 supplement to gen. statutes; D.C. Code §§ 34-207, 34-214; Fla. Stat. § 366.94; Haw. Rev. Stat. § 261-1(2); Idaho Code § 61-119; 220 Ill. Comp. Stat. §§ 5/3-105(C), 5/16-102; Me. Rev. Stat. Ann. Tit. 35, §§ 313-A, 3201(5), 3201(8-B); Md. Code Pub. Utils. §§ 1-101(J)(3), 1-101(X)(2); Minn. Stat. § 216B.02 (Subd. 4); Missouri PSC File No. ET-2016-0246; NYPSC Case No. 13-E-0199; Or. Rev. Stat. § 757.005(1)(B)(G); PA PUC Order R-2014-2430058; Utah Code §§ 54-2-1(7)(C), 54-2-1(19)(J); Va. Code Ann. § 56-1.2:1; Wash. Rev. Code § 80.28.310; W. Va. Code § 24-2D-3.

⁵ *Report and Order: In the Matter of the Application of Union Electric Company d/b/a Ameren Missouri for Approval or a Tariff Setting a Rate for Electric Vehicle Charging Stations* (File No. ET-2016-0246, filed April 19, 2017).

*charging facility operator is a public utility by reason of its operations other than providing electric charging.*⁶

19. The New York Public Service Commission (“NYPSC”) ruled that EV charging stations are not utility plant, and charging services are not subject to its jurisdiction, by distinguishing between the nature of the sale of electricity and charging services:

Charging Stations do not fall within the definition of “electric plant” because Charging Stations are not used for or in connection with or to facilitate the generation, transmission, distribution, sale or furnishing of electricity for light heat or power. Instead, and as urged by several commenters, Charging Stations are used to provide a service, specifically, charging services. This service requires the use of specialized equipment and allows the customer to do only one thing, charge a [EV]’s battery. The primary purpose of the transaction between Charging Station owners/operators and members of the public is the purchase of this service and the use of this specialized equipment. While the customer is using electricity, this is incidental to the transaction.

Furthermore, the NYPSC held that “the method of calculating the transaction fee, specifically, the use of a per kWh price, will not confer jurisdiction where none otherwise exists.”⁷

20. The Massachusetts Department of Public Utilities (“MA DPU”) followed the same rationale and found that EV charging equipment does not constitute a distribution facility, because the “equipment component of EV[CS] used to supply the electricity is in the nature of a connector or cord, not a line” and “ownership or operation of EV[CS] does not transform an entity that otherwise is not a distribution company into a distribution company.” The MA DPU also found that EVCS owners or operators are not

⁶ *Order Instituting Rulemaking to Consider Alternative-Fueled Vehicle Tariffs, Infrastructure and Policies to Support California’s Greenhouse Gas Emissions Reductions Goals*, Assigned Commissioner’s Scoping Memo at 4-5 (P.U.C. Rulemaking No. 09-08-009, filed Aug. 20, 2009).

⁷ *In the Matter of Electric Vehicle Policies, Declaratory Ruling on Jurisdiction over Publicly Available Electric Vehicle Charging Stations* at 4 (NYPSC Case No. 13-E-0199, issued Nov. 22, 2013).

“selling electricity” within the meaning of the Massachusetts public utility statute, because:

[An EVCS] owner or operator is selling EV charging services, i.e., the use of specialized equipment – EV[CS] – for the purpose of charging an EV battery. EV[CS] allows the customer do to only one thing, charge an EV battery. This result is true regardless of the business model the EV[CS] owner/operator uses to charge customers for charging services, even if the charge is by a per-kilowatt hour basis or other volumetric energy basis.

21. The MA DPU also found that the practice does not constitute submetering, because submetering involves a resale of electricity, not the sale of a service - in this case, EV charging service. For the same reason, the MA DPU found that EVCS owners/operators are not competitive suppliers of electricity.⁸

22. There is a clear and consistent record of determinations in the matter of regulatory jurisdiction over EVCS owners and operators and charging services, with regulators across the United States concluding that EVCS owners and operators are not considered “utilities” under state statutes.

IV. COMMISSION FORBEARANCE / EXEMPTIONS FOR EVCS OWNERS AND OPERATORS IF THE COMMISSION DETERMINES THE UCA APPLIES

23. If the Commission determines that EVCS owners and operators are captured by the definition of “public utility” under the UCA, then the Commission should exempt EVCS owners and operators from regulation. The Commission has previously taken a similar approach for thermal energy service (“TES”) installations, specifically the “Micro TES” and “Strata TES” categories under the TES Guidelines attached as Appendix A to Order G-27-15. The current circumstances justify the use of exemptions to exclude

⁸ *Investigation by the Department of Public Utilities upon Its Own Motion into Electric Vehicles and Electric Vehicle Charging*, Order on Department Jurisdiction over Electric Vehicles, the Role of Distribution Companies in Electric Vehicle Charging and Other Matters (Mass. D.P.U. 13-182-A, issued Aug. 4, 2014).

EVCS from regulation even more strongly, because none of the indicia suggesting the need for regulation, as previously identified by the Commission, are present here. For that reason, no conditions or threshold, capital cost or otherwise, should apply to an EVCS exemption.

24. This approach would reflect the following principles from the AES Inquiry, which the Commission identified for determining whether to regulate (pp. 6-7):

- Only regulate when required.
- Regulation should not impede competitive markets.
- Regulation is required when natural monopoly characteristics are present and there is a need to protect the public interest and/or legislation requires an activity to be regulated.

25. Applied here, it is clear that EVCS owner and operator regulation is not required.

26. First, there are no significant natural monopoly characteristics in the EVCS market (e.g., large initial capital costs; significant barriers to entry; infrastructure which is not cost-effective or otherwise amenable to duplication; subadditivity of costs meaning output demanded can be produced most efficiently by only a single firm; and economies of scale).⁹ EVCS require limited capital investment compared to regulated industries, and there are no substantial barriers to entry into the market. Given the limited costs associated with EVCS infrastructure, it is easily amenable to duplication, in the same manner that gasoline service stations, which provide a similar service, have proliferated historically. Because of this, there is no subadditivity of costs, since no firm can garner a

⁹ AES Inquiry, p. 7.

material cost advantage, including economies of scale, simply by adding more EVCS locations.

27. EVCS are likely to reflect a highly competitive (i.e., less monopolistic) environment because they can be operated by a number of entities such as developers, residences, property managers, retailers, and municipalities. This distinction is clear alone from the breadth of ChargePoint's current customers in BC, which include a municipality, a university, a private property developer and an airport.

28. Second, regulation would impede the development of the competitive EVCS market. As the Commission noted in the AES Inquiry, "[r]egulation exists to protect consumers against the abuse of monopoly power but...the superior protection for consumers is the competitive market place." EVs are only now starting to reach numbers where there is concentrated demand for EVCS, and as can be seen by the broad range of private entities that have intervened in this proceeding, there are a large number of real competitors that will participate in the EV charging market, with many more players potentially joining as EV uptake increases over time.

29. As the Commission recognized, "[r]egulation is costly, time-consuming, and limited by informational asymmetries," concluding that "a fundamental principle [is] that regulation is only appropriate where required and is driven by the inability of competitive forces to operate...". The delays and potentially expensive compliance conditions that regulation creates are barriers to entry into the development of competitive EV charging market. The regulatory burden risks limiting the number of entities that could compete to provide these services.

30. The AES Inquiry also featured considerable debate surrounding TES providers competing to provide monopoly service to captive customers. That wrinkle is absent in the case of EV charging services, and no monopoly characteristics are present. As a result, while in that case the Commission took a light-handed regulation approach in limited circumstances, it needed to do so because of latent monopoly concerns. Here, where no such concerns exist, even light-handed regulation is unnecessary in light of the competitive market.

31. In sum, the Commission should “do no harm” and avoid regulating EVCS owners and operators EV charging services. None of the indicia for regulation are found, and in the circumstances, it is more likely to create additional unnecessary barriers and costs that will harm rather than help consumers.

V. UTILITY ENTRANCE INTO THE COMPETITIVE EV CHARGING MARKET

32. ChargePoint supports utility programs designed to promote EV adoption within a competitive market. Smart, networked charging provides new flexibility to enable more grid benefits than traditional load management, and valuable data can be collected to inform better utility planning decisions and help maintain reliability and affordability.

Based on the data collected from smart charging stations, new processes can be created to better integrate EV charging utilization with available electrical capacity – helping balance loads and reduce the costs of providing clean energy. The Commission should support utility investment in smart EV charging to accelerate the deployment of technologies that enable utilities to access time aligned charging utilization data and dynamic load control.

33. Indeed, in both the United States and Canada, utilities have supported the buildout of charging infrastructure. Well-designed utility incentive programs can significantly lower barriers to EVCS deployment and help accelerate EV acceptance and charging markets overall. It is important that utility investments foster customer choice in charging equipment and services, and support a long-term, scalable competitive market for EVCS.

34. The California example is instructive. The CPUC determined in 2010 that it did not have jurisdiction concerning the rates charged to EV drivers,¹⁰ and in 2014 considered the appropriate utility role in the EV charging network market, issuing a “balancing test.”¹¹ Subsequently, over the course of 2016 and 2017 the CPUC issued charging network investment decisions specific to each of the three major utilities.¹²

35. There is no question that the BCUC retains jurisdiction to regulate public utilities relative to the EVCS market, even if the Commission concludes that EVCS owners and operators are not public utilities. Commission assessment of whether efforts to accelerate the deployment of charging stations is in the best interest of ratepayers, for example, is appropriate. ChargePoint has provided related comments in specific response to the Commission’s questions in Appendix “A”.

VI. NEXT STEPS

36. To narrow and focus the Inquiry, ChargePoint recommends that the Commission address the following as a preliminary issue: does the *UCA* definition apply to non-utility owners and operators of EVCS and EV charging services given the current competitive

¹⁰ http://docs.cpuc.ca.gov/PublishedDocs/WORD_PDF/FINAL_DECISION/121450.PDF.

¹¹ <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M143/K682/143682372.PDF>.

¹² <http://www.cpuc.ca.gov/zev>.

market, such that the Commission must directly regulate EVCS owners and operators and EV charging services? To do so, ChargePoint suggests that the Commission organize the remaining steps in the Inquiry into two scopes:

- “Scope A” should determine if the Commission has jurisdiction over EVCS owners and operators and EV charging services (ChargePoint says it does not and, if so, whether that jurisdiction should be exercised in any way (i.e., should the Commission exempt all EVCS locations, and if so, subject to any thresholds or conditions).
- “Scope B” should consider the role of existing utilities in EVCS and EV charging services, in terms of (i) utilities entering a competitive market, and (ii) rates designed for EVCS owners and operators.

37. Parties to the Inquiry should have the opportunity to respond to other parties’ submissions. ChargePoint accordingly submits that next steps should include the following, once parties have had an opportunity to review the March 16 filings:

- Commission clarification about scope;
- Submissions by parties about timing and process;
- Potentially, information requests; and
- Replying to other parties’ submissions.

VII. CONCLUSION

38. ChargePoint appreciates the opportunity to provide comments. ChargePoint looks forward to continuing the discussion and working with the Commission, utilities, and other stakeholders on EV charging issues in British Columbia.

APPENDIX A: QUESTIONS FROM THE BC UTILITIES COMMISSION'S

PRELIMINARY SCOPE OF INQUIRY

1. To assess foundational questions about the Commission's jurisdiction over EVCS owners and operators and charging services, the Commission asks for comments on a series of questions attached to Order G-19-18 related to the EV charging market and its customers, and rate design and rate setting for EV charging services. As noted above, we recommend that the Commission address one important threshold issue outlined in Scope A of this Inquiry, the regulation of EVCS owners and operators and EV charging services, before considering the other elements of the Inquiry.

Scope A: Basis for regulation

- ***Do EV charging stations operate in a competitive environment in BC or are they a natural monopoly service?***

2. EV charging stations in BC operate in a competitive environment. There are many electric vehicle charging hardware and software solution providers in BC, as well as a number of diverse entities that own and operate charging stations. The relationship between EVCS owners and operators and EV drivers is fully competitive, and akin to (unregulated) gas stations or cell phone battery-charging kiosks at the airport.

- ***Are the customers of EV charging stations captive or do they have a choice?***

3. Captive markets exist in markets where there is limited choice and limited product or service competition. In BC, and across Canada, there are a number of

companies offering EVCS and EV network services to residential, commercial, and public sector customers. Charging stations are owned and operated by a diverse number of entities across the Province, including developers, retailers, municipalities, workplaces and home owners/tenants. ChargePoint encourages the Commission to consider Natural Resource Canada’s “Electric Charging and Alternative Fueling Stations Locator”¹³ to see the number of vendors and owners and operators offering charging services in the province. According to the Alternative Fueling Stations Locator, there are 1,237 public charging ports in BC (see Appendix “B” for a map of public charging stations and EVCS suppliers across BC).

- ***Should the Commission regulate the services provided by EV charging stations? What are benefits and detriments to such regulation?***

4. EV charging services provided to EV drivers reflect neither a sale of electricity nor a natural monopoly, and hence fall outside the nature of a “public utility.” The Commission should conclude that it has no authority to regulate the service. It does have authority to regulate the sale of electricity to charging station owners and operators from the distribution utility.

5. Should the Commission disagree, it should choose to issue exemptions under the *UCA* because regulation would impose more burdens than benefits. Regulation is expensive and time-consuming and therefore economically inefficient. As the Commission indicated in the AES Inquiry, “[r]egulation is costly, time consuming, and limited by informational asymmetries.” It is justified only where customers require protection from captive (natural monopoly) circumstances. Unnecessary regulation in a

¹³ <https://www.nrcan.gc.ca/energy/transportation/personal/20487#/find/nearest>

competitive market risks cross-subsidies, stifling innovation, reducing customer choice, and higher prices from reduced price competition and efficiencies.

6. Regulating each individual EVCS owner and operator as regulated utilities would not be economical, would impose a high cost on both the Commission and the EVCS owners and operators, and could distort the existing competitive market by making it uneconomical to own and operate stations. This could restrict customer choice and EVCS owner and operator flexibility in providing unique offerings in charging and network service to EV drivers.

Scope B: Rate design and rate setting

- ***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)?***

7. First, EVCS owners and operators currently compete to provide charging services to EV drivers in a diverse market. For the reasons described earlier, the rate design of the prices EV drivers pay falls outside the Commission's jurisdiction, and the Commission should in any event decline to interfere with the market to regulate those rates.

8. In response to market demand and/or service provider goals, charging station operators offer a variety of pricing options to EV drivers, which are unique to the customer behavior at that site. They span time-based, session-based, energy-based, and membership models, with some services provided at no fee to attract or retain

customers. EV drivers frequently retain the option of charging at home as well, which provides an additional option for charging.

9. EVCS owners and operators should have full flexibility to establish pricing based on their insight into local site conditions, parking management, business needs, and driver needs. For example, retail EVCS owners and operators may want to offer 2 hours of free charging to attract EV drivers into their store and then charge a fee after 2 hours, or a municipality may wish to charge an hourly fee to maximize utilization and ensure turnover in areas with high density and station congestion. The City of Vancouver recently implemented hourly user fees to increase turnover at highly utilized stations across the City.

- ***Should the EV charging station service rate be based on a public utility's existing wholesale or commercial retail rate or some other rate?***

10. ChargePoint does not prescribe a particular rate a utility should charge the EVCS owner or operator customer of record for the energy provided to the charging station. In the United States, some utilities have developed or piloted EV-specific time of use rates to promote the use of EVs or facilitate grid management. Those options should be considered as a rate to the EVCS owner and operator, who is the customer of record, not to the driver directly, in order to maintain the EVCS owners' and operators' flexibility to set prices in a competitive market. The EVCS owner and operator may either pass on that cost of electricity or establish pricing to drivers that reflects the unique charging and parking needs at that site.

- ***Should public utilities include EV charging stations in their regulated rate base or through a separate non-regulated entity?***

11. Any rate based investment directed at helping accelerate EV acceptance and deployment of charging infrastructure should maintain customer choice in charging equipment and services, and support a long-term, scalable *competitive* market for EVCS. While program designs for utility investment in EV charging stations can take many forms, the Commission should clarify what new utility rate based investment is appropriate to help accelerate the competitive EVCS market.

12. Generally, fleets, multi-unit residential buildings, retail establishments, workplaces, municipalities, and corridors all have unique circumstances to consider when determining the most appropriate program design for rate based investment. Drawing on our experience across the United States and Canada, we have observed three primary models of utility investment in EV charging: utility ownership of charging equipment, investment in make-ready infrastructure (i.e. the infrastructure needed to make a parking space ready to install a charging station), and rebates. ChargePoint has partnered with utilities and EVCS owners and operators across North America to implement each of these types of investments. We believe that utility investments should align with the needs of drivers, account for the unique differences in charging applications, and support EVCS owners and operators choice in charging equipment and services provided by the competitive market.

13. Utility investments should be scaled and targeted to the areas where they will have the greatest impact. There are important lessons learned from utility programs across the United States and Canada. In some jurisdictions, rebate based investments

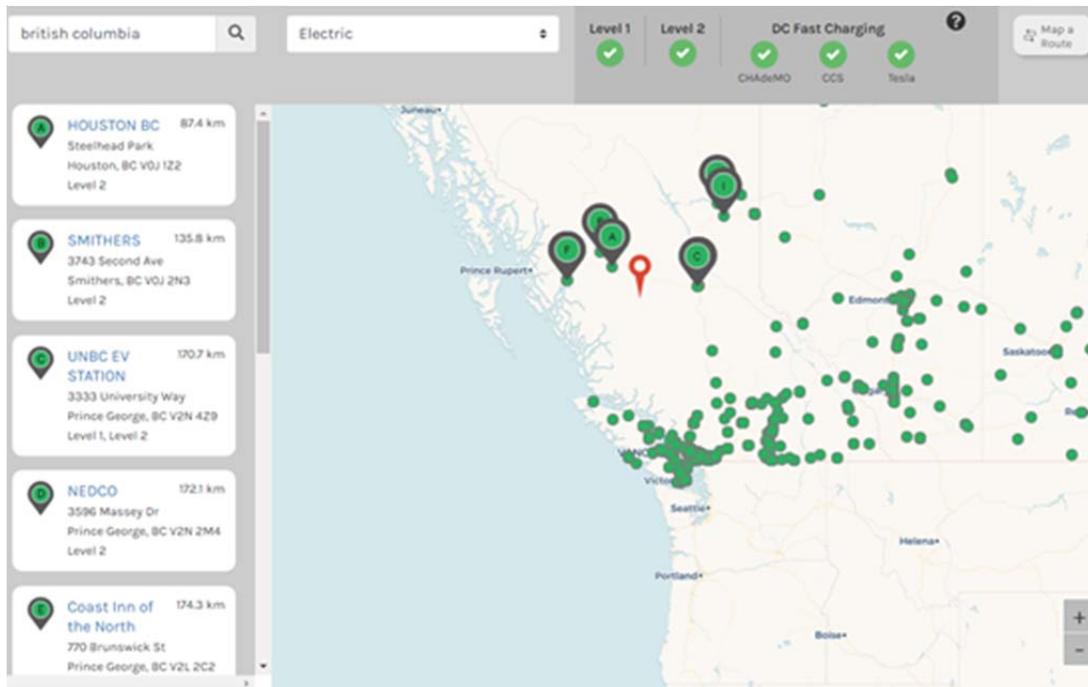
have been deployed to meet the needs of all segments of the market, enabling rapid deployment and accelerating a competitive marketplace. Similarly, make-ready investments have enabled utilities to address or offset the variable and potentially prohibitive cost of installing EVCS, helping to accelerate deployment. Investments to own EVCS have been employed in public charging programs and in disadvantaged communities and underserved locations to expand access to EV charging infrastructure. ChargePoint recommends that the Commission review proposed investments on a utility-specific basis, taking into account ratepayer costs and benefits, current market conditions and future needs.

Other Matters

Perceived conflict with the BC-LCFS

14. Parallel to this Inquiry is a consultation process related to updating British Columbia's Low Carbon Fuel Standard (BC-LCFC), in which ChargePoint is a participant. Although a distinct jurisdictional and regulatory process, we are aware of perceived interactions between the two processes. While contextual information from each process may assist developing the record of the other, it would be helpful to Inquiry participants for the Commission to clarify that this Inquiry should not directly affect the BC-LCFS consultation process, and likewise that the BC-LCFS consultation process is distinct from and should not depend on this Inquiry.

APPENDIX B: NATURAL RESOURCES CANADA'S ELECTRIC CHARGING AND ALTERNATIVE FUELING STATIONS LOCATOR (SCREEN SHOT)



Available from:

<https://www.nrcan.gc.ca/energy/transportation/personal/20487#/find/nearest>