Response from
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Response to

COMMERCIAL ENERGY CONSUMERS ASSOCIATION OF BRITISH COLUMBIA ("CEC")

Information Request No. 1

British Columbia Utilities Commission - Inquiry into the Regulation of Electric Vehicle Charging Service - Project No. 1598941

1. Reference: Exhibit C16-2, Page 2

I think the legislation designed to control a monopolistic situation has the potential unintended consequence of impeding EVSE deployment. The regulation and governance of third party charging stations by the BCUC needs to be reconsidered and the Act amended accordingly. Relying of 5 year Ministerial exemptions from the Act for third party EVSE providers is not a long term solution.

1.1.1 Do you oppose an exemption process in the short term while a legislated solution to ensure that reselling electricity for EVs is not regulated?

RESPONSE

I support a short-term exemption until legislative amendments are enacted.

1.1.2 One approach to this issue is to have the Commission interpret the reselling provision in the UCA as not applicable to the EV charging station business would you find this a suitable solution?

RESPONSE

I would also support this action, although I'm not sure how the mechanics of this exemption would work or under what authority within the ACT the BCUC could use.

2. Reference: Exhibit C16-2, Page 2

Although I believe the Act needs to be revised to consider EVSEs, I think it is premature to make specific long-term decisions on EVSE installations, ownership, charge rates, etc. Any BCUC actions should be temporary or time limited until the EV market matures.

2.1 If the decisions made by the Commission today are designed to transition into a competitive mature EV market in the future, could this satisfy the concerns raised in your subsequent points?

RESPONSE

I think a competitive market will emerge without BCUC involvement, assuming the ACT constraints are removed. I have concerns that if the Utilities are allowed to enter this market, the market's competitiveness is at risk. The Utilities are the sole supplier to the third-party EVSEs. If allowed to compete in this market, the Utility will have a competitive advantage, which if not controlled could quickly see the Utilities controlling the market.

3. Reference: Exhibit C16-2, Page 4

The BCUC should retain its role in regulating Utility-owned EVSEs. As the monopolistic suppliers of power, utilities would be in a unique position to control supply while competing with third party EVSEs, which may rely on the Utility for their power supply. There also exists the possibility that utilities could use its existing non-EV customers to subsidize the cost of power sold to its EVSE operations.

3.1 If the BC electric Utilities enter the EV charging market and do so by subsidizing their entry with the support of ratepayer funding and such funding is not accessible for the private sector market do you consider this as constructive to the development of the EV market, particularly if it involves establishing and owning DCFC stations along the BC highway corridors, or would you consider this an inappropriate use of monopoly.

RESPONSE

Unlike third-party EVSEs, the Utilities are in a unique position – the sole electricity provider in their market - with a distinct market advantage. The ACT was created to protect ratepayers. Among those ratepayers are future EVSEs which also need protection, particularly where their sole provider is allowed to compete with them.

I believe the EVSE market will respond to demand and develop as a competitive market. Tesla is a good example of an organization establishing an EVSE network. It installed DCFC stations strategically located along highway corridors. In areas, where it has sold very few vehicles (e.g.: Utah) it hasn't installed any DCFC units. As sales in these slow growth markets increase, so will the number of DCFCs Tesla will install in that area.

Tesla is certainly not a monopoly Utility and yet it was able to achieve, in a relatively short time, an impressive DCFC network. Others will copy this successful model.

The market does not need monopolistic Utilities to install DCFC along BC's highways, just because they can. The EV supply/demand market will do this.

Utilities should focus on producing electricity and finding creative ways to use the new revenues from EV third-party EVSE sales to reduce rates charged to all ratepayers.

3.2 If subsidies were equally available to private sector market participants as well as Utility non-regulated businesses would this mitigate the contention of a need for protection from the monopoly supplier powers?

RESPONSE

I don't support subsidies for the EVSE market.

Tesla created, at its sole cost, a charging system network. BMW, Volkswagen, Mercedes Benz and other major manufactures have all announced plans to develop similar systems. Lots of third-party EVSEs have installed Level 2 chargers - all without subsidies.

Local governments used taxpayers' funds to install EVSEs. Federal and Provincial governments may want to encourage EVSE expansion through subsidized programs. I don't believe we need another source of public funding from Utilities.

In the near term, one of the limiting factors affecting EV sales in remote areas and along BC's many highways will be the lack of DCFCs. It will take time for the market demand in these areas to lead to increased supply.

Utilities should focus on producing electricity and finding ways creative ways to use the new revenues from EV third-party EVSE sales to reduce rates charged to all ratepayers.

4. Reference: Exhibit C16-2, Page 5

We don't charge how long it takes to refuel an ICE. We charge by the amount fuel used. The same model should apply to EVs. Charge for energy provided to vehicle.

4.1 If the EV charging market is not regulated by the BCUC as suggested, then there would be no way to regulate how the fees for charging would be established. Some might charge for the energy, some for the time, and some not charge at all. Would you prefer a deregulated market over one in which there is one standard charging model for the electricity as a fuel like the gasoline fueling example raised.

RESPONSE

I believe BCUC needs to remain focused on what the Utilities charge the EVSEs. I don't see a role for the BCUC in the 'use' of power after purchase from the Utility. I prefer a deregulated market.

I believe the market will choose which method is preferred and what rates are charged. It seems to me, charging by time started because various US jurisdictions found this as a way to skirt their Utility regulations. In effect, they weren't selling electricity they were selling 'enhanced parking' and not subject to local legislative constraints. If the ACT is amended to exclude EVSEs and more DCFCs are deployed, I believe that time based charging models will fade.

As stated in my response to BCUC IR No. 1:

> At present, there appear to be three emerging Electric Vehicle Supply Equipment (EVSE) groups (see top of pg 4 of my March 15, 2018 submission)

which plan to supply/sell power to EV owners. Each group has a somewhat different objective in entering this business.

(i) Manufacturers, which want to support product sales, may offer the service for free or at reduced rates. Tesla is a market leader in this area;

(ii) Governments, which want to encourage EV sales for environmental reasons and/or support local tourism, may not charge for the service, absorbing the costs internally; and

(iii) Third parties, which have diverse goals, may price there service from no cost to a full cost profit generating model, depending on how they see the service supporting their business plans. For example, some may want to become energy resellers, operating similar to existing service stations and charging a fully-loaded price. Others may want to encourage EV owners, through subsidized pricing, to visit their business while the customer vehicle recharges.

Even though these groups will buy the energy from a single source, they will resell it at a price in line with their business objectives. Profit may not be the only price driver.

It is this broad range of business goals and the variability of pricing levels that will ensure an open competitive market. No regulation of these groups is required.