

BRITISH COLUMBIA UTILITIES COMMISSION

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

British Columbia Sustainable Energy Association and Sierra Club British Columbia

Responses to Information Request No. 1 from:

BC Old Age Pensioners Association (Exhibit C21-3)

6 June 2018

1.0 Reference: Exhibit C6-2, page 11

1.1 Please provide more details on what “light-handed” regulation of FBC’s and BCH’s provision of EV charging services would entail.

Response:

BCSEA-SCBC see the Commission’s light-handed regulation¹ of FBC’s and BC Hydro’s provision of EV charging services, during the development of the EV sector in B.C., as involving:

- provision of public EV charging services, particularly DCFC services, by FBC and BC Hydro through their respective fully regulated corporate entities, as distinct from using an arm’s length subsidiary corporation, and
- a flexible approach to approval of rate design and the rates for public EV charging services by FBC and BC Hydro, taking into account the necessity and desirability of keeping rates low enough, initially, to foster demand for the service.

2.0 Reference: Exhibit C6-2, page 11

Preamble: The Evidence states: “Setting aside EV charging services provided by BC Hydro or FBC, EV charging stations that are provided by a public utility should generally not be regulated by the Commission”

2.1 What distinguishes BC Hydro and FBC from other “public utilities” indicating that they should be regulated by the Commission (albeit on some light-handed basis)?

Response:

Being large existing public utilities subject to full economic regulation in their acquisition, transmission, distribution and sale of electricity, BC Hydro and FBC are uniquely suited to being a leading early entrant into the market for public DCFC services within their respective service territories. BC Hydro and FBC have the expertise, resources, and motivation to develop public DCFC services with a view to establishing a

¹ BCSEA-SCBC used the term “light-handed regulation” in a generic sense, not with reference to specific “tools of regulation.”

network of DCFC stations that will expand the effective range of EVs in the Province and mitigate the ‘range anxiety’ that impedes growth of the EV sector. Commission oversight of BC Hydro and FBC is necessary because the utilities are using rate base assets in their respective delivery of DCFC services.

2.2 Are there circumstances, other than those set out in part 3 a) on page 11, where other public utilities should be regulated by the Commission? If so what are they?

Response:

BCSEA-SCBC acknowledge that the wording of section 3 a) on page 11 could have been clearer. They did not intend to say that the examples – EV charging services within MURBs and public EV charging services that are isolated from other public EV charging services – should definitely be subject to regulation and that such regulation should be substantial. The intention was to note that the possibility of ‘captive customer’ concerns in these examples warrants further discussion of the appropriate outcome within the general phrase “little or no regulation by the Commission,” for instance, a Micro TES exemption versus outright exemption.

Another example where possible ‘captive customer’ concerns arise is where an entity such as a taxi company provides EV charging services to fleet vehicles but not all of the vehicles are owned by the taxi company (e.g., they may be owned independently).² The owners/drivers of independent vehicles might be required by contract or by practicality to use the taxi company’s EV charging services.

To elaborate, in BCSEA-SCBC’s view, the possibility of what some Inquiry participants have called “price gouging” in a certain type of EV charging situation is a valid factor for consideration. However, it should not automatically mean that the Commission must regulate the price, whether routinely or on a ‘complaint’ basis. There is an important trade-off between (a) protecting the EV charging service customer by requiring or allowing the Commission to regulate price and service, and (b) inhibiting the provision of the EV charging services in the first place.

In the example of a Strata Corporation building, it is readily predictable that there would be instances where a Strata Owner EV driver is dissatisfied with the Strata’s price for EV charging.³ However, it is also predictable that a Strata Corporation would be reluctant to install EV charging services knowing it could end up in a utilities commission proceeding defending its EVCS pricing or service standards.

In addition, trying to establish a formula for a “fair and reasonable” EVCS price, whether for Strata Corporations or more generally, is not a practical solution. Not least, different Strata EVCS providers have different costs (e.g., upgraded wiring) and different revenues (e.g., number of charging sessions). Even if a generic formula for an acceptable EVCS

² A fleet owner providing EV charging services only to its own fleet vehicles may not be a “public utility,” because the service may not be public and for compensation.

³ In BCSEA-SCBC’s view there is no reason to assume that Strata Corporations would engage in “price gouging” as a source of profit. EV charging service is hardly a ‘cash cow.’ Rather, the predictable area of friction is where an EVCS price that the provider considers covers its costs is a price that the customer considers excessive; and where an EVCS price that the customer considers reasonable is a price the provider considers will not cover its costs.

price was approved by the Commission it is highly unlikely that the price formula would motivate increased numbers of Strata Corporations to install EV charging services. Stratas whose cost structure was too high for the formula price would not implement EVCS because they would not recover their costs. And, Stratas whose cost structure was relatively low would hesitate to provide EVCS because they would face the uncertainty and potential cost of defending themselves before the Commission.

In BCSEA-SCBC's view, for Strata buildings the better solution for Strata Owners who are existing or potential EV owners is exemption of EV charging services from regulation by the Commission (completely or except for sections 42-44, and setting aside BC Hydro and FBC), coupled with reliance on the existing processes for resolving disputes between Strata Corporations and Strata Owners.

End of document.