

June 6, 2018

VIA EMAIL

Commercial Energy Consumers Association of British Columbia
c/o Owen Bird Law Corporation
P.O. Box 49130
Three Bentall Centre
2900 – 595 Burrard Street Vancouver, BC
V7X 1J5
Attention: Mr. Christopher P. Weafer

Travis J. Allan

VP Public Affairs and General Counsel
AddÉnergie Technologies Inc.
2327, Versant Nord boulevard, suite 120
Québec (QC), G1N 4C2
tallan@addenergie.ca

Dear Mr. Weafer:

**Re: British Columbia Utilities Commission (the Commission) – An Inquiry into the Regulation of Electric Vehicle Charging Service – Project Number 1598941
Response to Commercial Energy Consumers Association of British Columbia (CEC) IR No. 1**

AddÉnergie Technologies Inc. submits its responses to CEC's IR No. 1 in accordance with the Commission's amended regulatory timetable pursuant to order G-96-18 for the above-referenced Inquiry.

Should you have any questions, please feel free to contact me at 1-877-505-2674 X 296.

Sincerely,

ORIGINAL SIGNED BY:

Travis J. Allan

CC : L. Tremblay



AddÉnergie Technologies Inc. (AddÉnergie) An Inquiry into the Regulation of EV Charging	Submission Date: June 6, 2018
Response to Commercial Energy Consumers Association of British Columbia Information Request (IR) No. 1	Page 1 of 10

1 **1. Reference: Exhibit C20-2, Page 2**

2 (i) Direct current fast charger (DCFC) and multi-unit residential building (MURB) home
3 charging are unlikely to be widely and comprehensively deployed in British Columbia
4 without public utility involvement because of the current economic barriers facing charging
5 providers and still-emerging demand for EV charging in many parts of the province.
6 Curbside public charging faces similar cost and also regulatory challenges that are likely to
7 inhibit its widespread deployment.

8 1.1 If the regulatory challenges are remedied does ATI expect that the economic challenges
9 can be met or does ATI view the economic challenges as somewhat independent needing
10 early stage market incentives if the market is to move at a quick pace?

11 **Response:**

12 In the case of curbside public chargers, to which the excerpted reference to regulatory barriers
13 relates, “regulatory barriers” refer to municipal control over existing street side infrastructure
14 via municipal by-law power, municipal control over street side parking (and fees charged) and
15 to the actual ownership of street side infrastructure and real property, such as the space
16 needed to install electric vehicle supply equipment (EVSE). Because of this complex
17 combination of by-law and ownership issues, AddÉnergie has not seen a situation in which
18 curbside has been widely deployed without significant government and utility involvement.

19 In the case of DCFC and MURB barriers, while there are certainly regulatory issues that require
20 clarity, not least of which is uncertainty over the ability to recover costs from the public and
21 within an organization (such as a strata), these are in addition to economic barriers. AddÉnergie
22 believes, therefore, that utility involvement is essential to allowing the market for non-
23 competitive DCFC, MURB and curbside EV charging to be robustly and comprehensively
24 deployed across the province.



AddÉnergie Technologies Inc. (AddÉnergie) An Inquiry into the Regulation of EV Charging	Submission Date: June 6, 2018
Response to Commercial Energy Consumers Association of British Columbia Information Request (IR) No. 1	Page 2 of 10

1 **2. Reference:** Exhibit C20-3

2 (iii) Allowing utilities to ratebase charging infrastructure is an appropriate response to
3 this barrier so long as it create a comprehensive and robust charging network that
4 achieves quality standards.

5 2.1 Allowing the utilities to have all ratepayers cover the costs of uneconomic service for
6 charging stations in the early market stage is one solution. Would ATI find it equally a
7 solution if the private sector had access to the same levels of subsidy as the utilities?

8 **Response**

9 To answer this question, AddÉnergie would need additional information about the subsidy
10 being described. In judging the size of any purported subsidy being provided to utilities, it
11 would be important to consider the impacts to overall electricity sales (including from home
12 and workplace charging) that are likely to result from increased EV adoption enabled by
13 increased deployment of comprehensive and robust public charging infrastructure.

14 In general, AddÉnergie is supportive of incentives for both EVs and EVSE installation as one
15 policy to support EV adoption in the province of British Columbia. For additional context, please
16 refer to our answer to BCUC Commission IR 2.1.

17 2.2 Might it lead to a more robust charging network if the power of the market was
18 incented to participate in developing the network where early economic barriers would
19 slow the development?

20 **Response**

21 As a private company that invests in and operates EV charging infrastructure, AddÉnergie
22 believes that the private market has an important role to play in building a robust network of
23 EV charging option for British Columbians. AddÉnergie submits that this can occur alongside
24 utility investment in charging infrastructure in some DCFC deployments, some MURBs and



AddÉnergie Technologies Inc. (AddÉnergie) An Inquiry into the Regulation of EV Charging	Submission Date: June 6, 2018
Response to Commercial Energy Consumers Association of British Columbia Information Request (IR) No. 1	Page 3 of 10

- 1 curbside charging where the market is unlikely to provide the comprehensive and robust
- 2 network required to facilitate EV uptake by all British Columbians.

AddÉnergie Technologies Inc. (AddÉnergie) An Inquiry into the Regulation of EV Charging	Submission Date: June 6, 2018
Response to Commercial Energy Consumers Association of British Columbia Information Request (IR) No. 1	Page 4 of 10

1 **3. Reference: Exhibit C20-2, Page 3**

2 Private investors are unlikely to invest in public DCFCs at the scale required to permit
3 comprehensive provincial coverage because they are unlikely to recover costs within 10
4 years based on current capital expenditure costs and electricity demand charges under
5 BC Hydro's and Fortis BC's current rate structures.

6 3.1 FortisBC in its application for rate design has indicated a much faster track to
7 economic breakeven. Does ATI expect that FortisBC would be any more capable than
8 the private sector to deploy DCFC stations under a level playing field of similar subsidies
9 as FortisBC is proposing and similar electricity rates?

10 **Response**

11 It is AddÉnergie's understanding that the break-even analysis provided with FortisBC's
12 application was conducted over a 10-year period. The application in question was based on
13 different input costs than those used in the generic model provided by AddÉnergie, which were
14 not based on specific projects. AddÉnergie does not have sufficient economic data to conduct
15 an economic analysis on the capability of utility vs. private sector investments.

16 3.2 Does ATI expect that the private sector, given the economic subsidy and electricity
17 pricing context utilities would have, could work with municipalities and MURBs to solve
18 curbside charging and MURB charging equally as well as the electric utilities?

19 **Response**

20 In situations where there are distribution capacity constraints, installation of either MURB or
21 curbside charging can be economically impractical unless utilities have an incentive to upgrade
22 local grid capacity. In addition, if utilities are not involved, users and owners may not benefit
23 from opportunities related to EV-targeted demand response programs, including load shaving
24 and load shaping. Finally, providing utilities with an opportunity to collect revenue from



AddÉnergie Technologies Inc. (AddÉnergie) An Inquiry into the Regulation of EV Charging	Submission Date: June 6, 2018
Response to Commercial Energy Consumers Association of British Columbia Information Request (IR) No. 1	Page 5 of 10

- 1 charging allows for the recovery of capital investments that would otherwise be borne by
- 2 ratepayers under a pure make-ready program.



AddÉnergie Technologies Inc. (AddÉnergie) An Inquiry into the Regulation of EV Charging	Submission Date: June 6, 2018
Response to Commercial Energy Consumers Association of British Columbia Information Request (IR) No. 1	Page 6 of 10

1 **5. Reference: Exhibit C20-2, Page 5**

2 AddÉnergie submits that customers of EV charging stations do not currently have
3 access to a competitive EVSE market in many areas of British Columbia. For the
4 reasons set out above, many areas of British Columbia are undersupplied with
5 DCFC and on-street charging, meaning there is no or very limited choice in the
6 selection of public charging stations. This undersupply is likely to especially
7 impact EV users who are on long trips (i.e., greater than their car's range, such as
8 inter-municipal travel) and EV users who are not able to access home charging,
9 such as MURB residents in older buildings that are expensive to retrofit with EV
10 chargers.

11 4.1 At what quantity of DCFC charging stations in BC does ATI expect that there would
12 be a sufficiently robust network of charging supply to incent more substantial growth of
13 the EV market

14 **Response:**

15 Please see our answer to BCUC Commission IR 1.3.1.



AddÉnergie Technologies Inc. (AddÉnergie) An Inquiry into the Regulation of EV Charging	Submission Date: June 6, 2018
Response to Commercial Energy Consumers Association of British Columbia Information Request (IR) No. 1	Page 7 of 10

1 **5. Reference: Exhibit C20-2, Page 6 & 7**

2 As the Commission is aware, provincial sales tax (PST) levied on the provision of
3 electricity is lower than on other services in British Columbia.⁷ In making its order under
4 this proceeding, AddÉnergie requests that the Commission provide a clear statement as
5 to whether EV charging services constitute the purchase of electricity consistent with
6 the Commission's other findings in this inquiry.

7 5.1 The Provincial Government has made it clear that it will welcome recommendations
8 from the Commission on the policy, legislative and regulatory context that the Province
9 should adopt in support of the EV market development. Would ATI support a
10 recommendation to the Province that charging station owners be exempted from taxes
11 of various kinds that might impede the development of the market for a tax holiday of
12 up to a specific period of time when it is likely there will be a more robust charging
13 market?

14 AddÉnergie is generally in favour of fiscal supports for EVSE installation and operation and
15 supports this recommendation.

16



AddÉnergie Technologies Inc. (AddÉnergie) An Inquiry into the Regulation of EV Charging	Submission Date: June 6, 2018
Response to Commercial Energy Consumers Association of British Columbia Information Request (IR) No. 1	Page 8 of 10

1 **6. Reference: Exhibit C20-2, Page 8**

2 AddÉnergie submits that the dependability and quality of public charging services
3 provided to the consumer should be a central consideration in rate setting. Providing
4 quality equipment, maintenance, monitoring and timely repairs is essential to building
5 consumer trust and to avoid safety and convenience concerns that can result from
6 consumers being stranded at low-quality or inadequately maintained charging
7 Infrastructure. Quality and dependability can be supported both by: (i) approving utility
8 rates sufficient to cover appropriate infrastructure and operating costs; and (ii)
9 providing performance standards against which investments in public charging will be
10 measured. Potential performance metrics provided for the Commission's consideration
11 are included under Section 7, below.

12 6.1 Would ATI find it useful if the Commission had light handed regulation setting out
13 modest performance standards and annual reporting or certification of meeting
14 standards, regulating on a complaint basis or should quality be left to the market as a
15 differentiation between suppliers?

16 **Response**

17 AddÉnergie believes that the Commission does not need to regulate private investments in
18 charging stations and that existing consumer protection law as well as market forces are likely
19 sufficient to support appropriate performance in areas with robust charging markets.

20 In areas where utilities are permitted to ratebase investments, dependability and quality of
21 services provided should be overseen by the Commission to ensure value for money on those
22 investments and, in particular, to protect users, given that there may not be other competitor
23 stations within close proximity.



AddÉnergie Technologies Inc. (AddÉnergie) An Inquiry into the Regulation of EV Charging	Submission Date: June 6, 2018
Response to Commercial Energy Consumers Association of British Columbia Information Request (IR) No. 1	Page 9 of 10

1 6.2 Would ATI prefer the performance standard and accountability process to be in an
2 EV association or to have the potential authority of the Commission backing the
3 process?

4 **Response**

5 For ratebased investments, the performance standard and accountability process should rest
6 with the Commission, which has the capacity and experience to regulate utility performance on
7 a variety of factors including, most importantly, reliability and customer service and which has
8 the power to allow or disallow utility investments in EV charging infrastructure.

9 As noted above, for private investments, AddÉnergie submits the oversight should be left to
10 consumer protection law and the market.



AddÉnergie Technologies Inc. (AddÉnergie) An Inquiry into the Regulation of EV Charging	Submission Date: June 6, 2018
Response to Commercial Energy Consumers Association of British Columbia Information Request (IR) No. 1	Page 10 of 10

1 **Reference: Exhibit C20-2, Page 10**

- 2
- 3 • providing connection infrastructure to the distribution grid to supply charging stations in
 - 4 the workplace and commercial parking lots;
 - 5 • supporting the deployment of EVSE at home;
 - 6 • factoring in EVSE in conservation and demand management programs to support
 - 7 appropriate charging behavior and times in residential and workplace charging; and
 - 8 • supporting the deployment of DCFC by permitting multiple electrical meters per site and
 - per address (based on the number of DCFC being deployed).

9 7.1 Would ATI have any other issues which would need addressing and that would

10 specifically need support from various levels of government?

11 **Response**

12 In addition to the items mentioned in our submission, including our suggestion to develop a

13 DCFC-specific rate, AddÉnergie believes the province could take a number of steps to increase

14 EV adoption including:

- 15 (1) Confirming that strata corporations can charge strata owners and/or residents for a
- 16 portion of electrical bills without triggering regulation as a “public utility”;
- 17 (2) Considering building codes that require all new MURBs to incorporate make-ready EV
- 18 charging infrastructure;
- 19 (3) Considering a “right to charge” law that provides strata owners with a right to install
- 20 EVSE, subject to reasonable limitations and a fair cost allocation process;
- 21 (4) Providing additional education and opportunities to try EVs for potential EV-owners; and
- 22 (5) Supporting EV and EVSE purchase through expanded subsidies and creating special
- 23 subsidies to support existing MURB EVSE installation and electrical capacity upgrades.