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June 6, 2018

VIA ELECTRONIC MAIL & EMAIL  
[LWORTH@BCPIAC.COM](mailto:LWORTH@BCPIAC.COM)

British Columbia Old Age Pensioners' Organization et al

Attention: Leigha Worth

Dear Sirs/Mesdames:

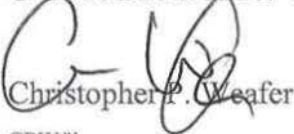
Re: **British Columbia Utilities Commission Inquiry into the Regulation of Electric Vehicle Charging Service ~ Project No. 1598941**

We are counsel to the Commercial Energy Consumers Association of British Columbia (the "CEC"). Attached please find the CEC's Response to the BCOAPO's Information Request No. 1 with respect to the above-noted proceeding.

If you have any questions regarding the foregoing, please do not hesitate to contact the undersigned.

Yours truly,

OWEN BIRD LAW CORPORATION



Christopher P. Weafer

CPW/jj  
cc: CEC  
cc: BCUC – Atten: Patrick Wruck, Commission Secretary  
cc: Registered Interveners

**COMMERCIAL ENERGY CONSUMERS ASSOCIATION  
OF BRITISH COLUMBIA (“CEC”)**

**CEC Response to British Columbia Old Age Pensioners’  
Organization, Active Support Against Poverty, Disability  
Alliance BC, Council of Senior Citizens’ Organizations of  
BC, Tenants Resource and Advisory Centre, and together  
Against Poverty Society (“BCOAPO”)  
Information Request No. 1**

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

**June 6, 2018**

**CEC RESPONSE TO BCOAPO INFORMATION REQUEST #1**

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

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**1.0 Reference: Exhibit C24-2, page 32 (paragraph 3.23)**

1.1 Please specify what aspects of the Class Exemption for BC Hydro Customers that Resell Electricity Under Certain Lease Agreements model CEC considers would be appropriate to apply to EV charging stations?

**Response:**

The CEC considers that it would be reasonable for EV charging stations to be considered as end-users and not defined as public utilities in the *Utilities Commission Act* (“UCA”)

Please see BCUC – CEC 1.2.1.

To the extent that resellers remain classified as Utilities, the CEC considers that they should be exempted from the UCA with the exception of Sections 42, 43 and 44.

**2.0 Reference: Exhibit C24-2, page 35 (paragraph 3.38)**

2.1 Please describe how “simple reporting” will ensure that mark-ups on the resale of electricity are within reasonable limits (particularly in the case of DCFC where the number of suppliers and/or locations may be limited per paragraph 3.43)?

**Response:**

Please see BCUC – CEC 1.4.5 and 1.4.7.

**3.0 Reference: Exhibit C24-2, page 36 (paragraphs 3.48 & 3.49; page 39 (paragraph 4.4) and page 48 (paragraph 5.13)**

3.1 At page 39, CEC states that it does not support a separate EV tariff for sale of power by the utility to station owners. This view is re-iterated on page 43. However, at page 36 CEC states that TOU rates could be utilized to manage demand and optimize use of transmission and distribution systems. On that same page, CEC states that commercial charging stations could be assessed a special tariff that reflected the price of future upgrades and build-outs.

3.1.1 Please reconcile the statements that there should not be a separate EV tariff with the view that commercial charging stations could be assessed a TOU or special rate.

**Response:**

The CEC is of the view that a separate EV tariff for sale of power by the utility to station owners is not necessary nor appropriate.

The CEC provided commentary regarding Time Of Use rates and believes that time of use rates for all customer classes will be an appropriate development for utility rate structures in the future. The CEC notes that the BC Hydro rate design Module 2 contemplates starting with voluntary time of use rates.

The CEC provided commentary regarding special tariffs as possible options for the Commission to consider, however the CEC would not recommend proceeding with such an option.

3.1.2 Is it reasonable to assume that EV station owners will adopt TOU pricing structures if they are not charged TOU rates for their power supply?

**Response:**

The CEC believes that competitive EV station owners could potentially adopt TOU pricing structures if it suited their business model and maximized profits.

The CEC believes that TOU pricing structures for electricity supply could motivate or incent EV station owners to adopt TOU pricing.

3.1.3 If EV stations were to adopt TOU pricing structures, in the absence of being charged TOU rates, how, in CEC's view, would such pricing structures be developed so as to be reflective of EV station users "cost impacts" on the utility's distribution and transmission systems?

**Response:**

In order for TOU rates to be reflective of cost impacts on the utility's distribution and transmission system they would need to be designed to do so. This would likely occur primarily if the TOU rates were charged by the utility to the station owner, and then passed onto the consumer.

If an EV station owner implemented TOU pricing without being charged TOU rates by the utility the CEC would expect that the utility could benefit from reduced distribution and transmissions system costs. However, the station owner may, in such circumstances, forego potential revenues without receiving the concomitant benefits.

**4.0 Reference: Exhibit C24-2, page 42 (paragraph 4.30); page 44 (paragraph 4.37) and page 49 (paragraph 6.9)**

*Preamble: At page 42 the Evidence states that: “profitable resale of the electricity commodity could facilitate the establishment of a DCFC charging network”. At page 49, the Evidence states that: “utility participation in providing fast charging stations on long distance highway corridors may be useful to temporarily fill a gap”. At page 44, the Evidence states that: “it would be reasonable to base (utility) rates (for EV charging service) on its cost of service rather than a formula or subsidized rate”.*

4.1 Is it reasonable to expect that a utility’s cost of service for providing EV charging services could differ from and be lower than that of a third-party private sector provider (e.g., utility may have a lower cost of capital)?

**Response:**

Yes. The CEC expects that the utility’s cost of service for providing EV charging services could be lower than others if it were permitted to use its monopoly-based cost structure to compete in the EV charging market, although other large corporations may experience similarly low cost structures.

This situation could be true if utilities were permitted to participate in many different kinds of businesses and end-uses and could potentially have the negative effect of limiting competition in these endeavours as well. For example, when the Commission considered utility participation in the TES market the Commission went to great lengths to ensure a level playing field with the competitive market participants to the extent it was able to do so. The EV charging station market is a similar situation in the CEC’s view.

4.2 If yes, mightn’t permitting utilities to offer DCFC services priced at their more favourable “cost of service” undercut the profitability of 3rd party providers and create a barrier to their entry into the market?

**Response:**

Yes. The CEC agrees with this statement and views it as a major concern caused by asymmetric subsidies in a competitive marketplace.

Please also see BCOAPO – CEC 1.4.1 and BCUC – CEC 1.2.1.