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June 13, 2018

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

**Re: Inquiry into the Regulation of Electric Vehicle Charging Service -
Project Number 1598941**

Dear Mr. Wruck:

We would like to thank the B.C. Utilities Commission (BCUC) again for the Inquiry into the Regulation of Electric Vehicle Charging (EVC) Service, and for involving the Urban Development Institute (UDI) in the proceedings. We are pleased to respond to the BCUC's queries. We circulated the questions to several of our members who continue to construct EVC infrastructure in their development projects. Please see our responses below.

Questions

- 1.1 Given a customer's ability to resell electricity to a tenant that would not exceed the price that BC Hydro would have charged, as set out in the Electric Tariff, would that Resale of Electricity provision help in addressing UDI's concerns? Please discuss.**

There is still significant confusion within the industry regarding section 9.1 under the *British Columbia Hydro and Power Authority (BC Hydro) Electric Tariff* and its application to strata buildings. If strata owners are tenants of the strata corporations and can therefore resell electricity, it would be beneficial if either the BCUC or BC Hydro could provide a bulletin regarding this.

Does Section 9.1 also apply to commercial projects, in situations where electricity is being resold to employees and customers of tenants? Clarity regarding this would also be helpful.

Even if the electricity itself could be resold, there may be little opportunity to recoup the tens of thousands of dollars of investments being made by landlords, stratas and developers within a building for the EVC infrastructure – or the costs (in some cases) of BC Hydro upgrades to accommodate the additional electricity loads.

It is unclear what costs can and cannot be covered both by developers and a third party. UDI wants to ensure that any agreements with purchasers, stratas and potential third party suppliers are legal and will not be overturned in the future. For instance, developers require clarity on whether they can recover:

- The cost of electricity
- The cost of infrastructure internal to the building – for example, conduit wiring and larger electrical closets
- The cost of potentially BC Hydro upgrades that need to take place – for example upgrading from a transformer to a substation.

We also note that for District Energy, investors are allowed to charge up to and sometimes more than 8% for capital recovery costs.

It would be constructive through this process to explain what costs could be recovered and if possible, if costs are not recoverable, provide options to be able to do so. This would be best communicated via bulletin to industry from BC Hydro and/or BCUC.

1.2 Other than uncertainties surrounding the resale of electricity, please discuss what other regulatory obstacles, if any, third-party entities face when owning or operating various levels or types of charging stations.

The industry is aware there are third-party metering services. We would be reluctant to speak on their behalf. However, having clarity regarding their ability “resell” electricity would be desirable to our members. In addition, all of these services would face the same costs as landlords, stratas or developers. If there is only the ability to ‘flow through’ BC Hydro charges, it may be difficult for these third party entities to provide EVC services without subsidies or the infrastructure being provided by developers or building owners.

1.3 Please discuss what options UDI have explored outside of public utility metering services (e.g. third-party services such as AddÉnergie, ChargePoint, or Greenlots).

Third-party services were involved in some of the municipal EVC consultations. We found that during those discussions there was a lack of clarity regarding how many of the costs as mentioned could be passed onto users. UDI would welcome the opportunity to have discussions with third-party services, BC Hydro, the Condominium Home Owners’ Association (CHOA), the CEC, the BCOAPO, others and the BCUC regarding potential options for strata, rental, and commercial projects. We would also be willing to hold a Breakfast Seminar with third-party services for our membership.

One potential issue is that our members may be put in the position of committing to or contracting with a third-party service, which may limit the options of future strata corporations. This is a new area of business for our members; one that many are unfamiliar with. It may not be clear to them, which third-party services would provide their strata with good service at appropriate costs. It is important to note that the vast majority of developers and strata do not desire to function as a utility passing on costs. There needs to be clear rules and requirements that allow third party groups to recoup costs.

2.1 Please elaborate on the cost estimates related to building upgrades and how they are determined.

Our understanding is that developers hire electrical engineers who determine the load of a building. This information is submitted to BC Hydro who determine if upgrades are needed to their system to manage the additional load. There will likely be some instances in which upgrades are needed, and they are usually funded by the developers. BC Hydro does have some limited rebate provisions if others connect to the infrastructure. In addition to this, the electrical engineer needs to determine whether a Vista Switch, transformer or substation is needed for the building. If a developer has to upgrade from a transformer to a substation, the costs could be substantial. For both instances, some developers may discover that there are unplanned significant hydro infrastructure costs that are due, at least in part, to EVC infrastructure requirements – especially as they become more prevalent.

2.2 Please confirm if the cost per stall is for the charging equipment only or does it include other costs (e.g. installation)? Please define further.

We have contacted the City of Burnaby. They indicated that the cost-per-stall information came from an [AES study](#) done for the City of Richmond. Please note that some of our members are concerned that the costs of additional charging may potentially be higher than in the AES study. As these policies are new, our members cannot confirm these costs at this point in time, however there is a possibility that they could be higher.

Thank you again for allowing UDI to participate in this important Inquiry. If you have any further questions regarding our submissions, please do not hesitate to contact us. We would be very willing to discuss these issues with the other parties.

Yours sincerely,



Anne McMullin
President & CEO