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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 – Exhibit C21-9**

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 British Columbia Old Age Pensioner Organization (BCOAPO) query. We circulated the question to several of our members who continue to construct EVC infrastructure in their development projects. Please see our response below.

Question

1.1 In UDI's view what regulatory oversight (if any) should the BCUC provide regarding the prices (level and structure) charged by building owners and third party companies? In responding please address the issues raised by the Commission in Issue #4: Should the rate design of charging stations be established under a public utility's traditional cost-of-service model or some other model? And within that context, what are the customer pricing options (e.g. energy-based rate vs. time-based rate)?

UDI members are uncertain as to who the regulatory authority needs to be for developers and third parties to charge for electricity currently.

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. UDI is open to options for time based vs. energy based rates as our member's priorities are in cost recovery.

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

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