



June 15, 2018

Sent via email/eFile

BCUC REGULATION OF ELECTRIC VEHICLE CHARGING SERVICE INQUIRY EXHIBIT A-34
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To: Registered Interveners

Re: British Columbia Utilities Commission – An Inquiry into the Regulation of Electric Vehicle Charging Service – Information on June 27, 2018 Procedural Conference

By Order G-96-18 dated May 18, 2018, the British Columbia Utilities Commission (BCUC) established a Procedural Conference for the Inquiry into the Regulation of Electric Vehicle Charging Service (Inquiry). **The Procedural Conference will be held on Wednesday, June 27, 2018, commencing at 8:00 a.m. (Pacific Time) at the BCUC Hearing Room, 12th Floor, 1125 Howe Street, Vancouver, BC.** Interveners are requested to pre-register with the BCUC via email at Commission.Secretary@bcuc.com.

Note that the earlier 8:00a.m. (Pacific Time) start time is to accommodate the agenda items below and another proceeding that will take place in the hearing room in the afternoon of the same day. Interveners who are unable to attend the Procedural Conference in-person may participate either by (i) teleconference or (ii) making a written submission as per Order G-96-18.

In its letter dated January 12, 2018 (Exhibit A-1), the Panel provided a list of potential regulatory issues for context into the matters that may be reviewed in this Inquiry. Through intervener evidence, information requests, and the series of Community Input Sessions across the Province, the Panel has received submissions on these preliminary scope questions along with various other concerns. The Panel finds that it is time to refine these scope items for intervener submission and consideration. Appendix A to this letter provides a draft Expanded Inquiry Scope for discussion. This draft is based on the preliminary scope that the Panel set out in its January 12, 2018 letter, in addition to the evidence gathered in this Inquiry to date.

The draft Expanded Inquiry Scope is intended to help interveners consider the scope of the Inquiry in advance of making their submissions to the Panel at the Procedural Conference. Please note that the content in Appendix A is not intended in any way to constrain interveners' views with respect to the scope of the Inquiry or nature of the regulatory process.

The purpose of the Procedural Conference is to address procedural matters. interveners in the Procedural Conference are invited to make oral submissions on the following matters:

1. The appropriate scope of the Inquiry. Whether the scope of the Inquiry as contemplated in Exhibit A-1 in January 2018 is sufficient or should be expanded or refined. Appendix A of this letter includes a draft Expanded Inquiry Scope for discussion.
2. Whether the existing evidentiary record contains adequate information for the Panel's report, given the scope of the Inquiry:
 - a. If so, whether the Inquiry should now proceed to final argument.

- b. If not, what is the appropriate further regulatory review process to gather more evidence for an adequate evidentiary record?
3. The appropriate timeline of any subsequent process considering the interveners' submissions on items #1 and #2 above.
4. Any other procedural or scope matters interveners wish to present to the Panel for consideration.

Sincerely,

Original signed by:

Patrick Wruck
Commission Secretary

Enclosure

LC/dg

British Columbia Utilities Commission
An Inquiry into the Regulation of Electric Vehicle Charging Service

Draft Expanded Inquiry Scope prepared by BCUC Staff

Background

In accordance with the *Utilities Commission Act* (UCA),¹ “**public utility**” means a person, or the person’s lessee, trustee, receiver or liquidator, who owns or operates in British Columbia, equipment or facilities for (a) the production, generation, storage, transmission, sale, delivery or provision of electricity, natural gas, steam or any other agent for the production of light, heat, cold or power to or for the public or a corporation for compensation. The UCA also sets out other provisions to define whether a person is or is not a public utility.

Section 88(3) of the *Utilities Commission Act* provides that the British Columbia Utilities Commission (BCUC) may, with the advance ministerial approval, exempt a person, equipment or facilities from application of all or any of the provisions of the UCA.

Scope Items

General principles for utility regulation or exemption

1. The framework that the BCUC should consider in determining the regulatory regime for electric vehicle (EV) charging service. For example, should the framework consider the degree of competition, degree of customer captivity, policies to foster growth in EV industry, etc., and what relative weightings should be given to different criteria?
2. The appropriate regulatory regime for the following EV charging services, including any combination thereof:
 - (a) Public level 1 or 2 stations
 - (b) Public DCFC stations
 - (c) Stations in multi-unit residential buildings (MURBs)
 - (d) Stations in rural areas
 - (e) Stations in urban areas
 - (f) Public utilities such as BC Hydro and FortisBC Inc. (FBC) being the owners and/or operators of the stations
 - (g) Private companies not otherwise a public utility being the owners and/or operators of the stations
3. The benefits and detriments of regulating or granting an exemption to public EV charging stations for (i) existing public utilities and (ii) private companies not otherwise a public utility.
4. On a going forward basis, the guiding principles to determine whether a change in the regulatory regime is warranted.
5. The type and level of information that the BCUC should monitor related to the EV market, if any, and the appropriate parties that would supply the information.

¹ http://www.bclaws.ca/Recon/document/ID/freeside/00_96473_01#section99

6. The most appropriate course of action if the BCUC finds that certain matters should not be regulated. For example, a recommendation to amend the UCA, a recommendation to establish a prescribed undertaking, an exemption under the UCA, or other.
7. If any exemptions are to be granted, the specific sections of the *Utilities Commission Act* that should be exempted or preserved with respect to those exemptions.

Companies not otherwise public utilities supplying electricity to EV end users

8. Whether companies not otherwise public utilities supplying electricity to EV end users should be regulated or not. If there is some form of regulation, then consider:
 - a. The ways in which site hosts should establish their customer rates (e.g. an energy-based rate, time-based rate, and/or time-of-use based rate, etc.)
 - b. The reliability and accessibility of public stations.
 - c. The obligation of companies to supply service.
 - d. The safety of public EV charging stations in terms of installation, operations, and maintenance.
 - e. The appropriate allocation of regulatory costs.

Utilities supplying electricity to public stations and/or site hosts

9. Electric utilities provide electricity supply to site hosts under certain commercial rate classes. For example, for customers who install a stand-alone fast charging station, BC Hydro charges them under general service rates.² Should public utilities apply their current rate schedules, develop a new rate schedule, or use some other basis for rate design to serve site hosts for the resale of electricity to end users.
10. In the case of (i) home EV charging and/or (ii) when the public utility is the owner/operator of the public charging stations, whether public utilities should apply their current rate schedules, develop a new rate schedule, or use some other basis of rate design to serve EV end users directly.
11. Participants filed submissions that establishing a profitable business model for EV charging infrastructure is challenging because of high upfront investment costs, low and uncertain near-term demand, and competition from home charging. 80% of charging activity typically happens at home. Should a public utility's rate design for home EV charging consider the potential cannibalization of its own public charging station investments?
12. The degree to which the EV load would affect electricity grid stability, load shaping, and/or generation, transmission and distribution capacity.
13. The degree of stranded asset risks in EV charging station investments due technology changes, competition, or other factors.
14. The degree to which the *Clean Energy Act*³, Greenhouse Gas Reduction (Clean Energy) Regulation⁴, or other government policies would guide public utilities investments in EV charging infrastructure.

² Exhibit C1-2, BC Hydro evidence, p. 14.

³ http://www.bclaws.ca/civix/document/id/consol24/consol24/00_10022_01

⁴ http://www.bclaws.ca/civix/document/id/loo88/loo88/102_2012

15. Whether a level playing field should be considered between public utilities and third-party private investments, and if so, how accomplished. For example, some interveners submit that public utility involvement in the EV market may potentially stifle competition.
16. The BCUC must set rates that are not unjust, unreasonable, and unduly discriminatory. Undue discrimination may occur when one group of customers subsidizes another group of customers. If public utilities provide EV charging services within their regulated business, is there a risk of cross subsidization from other rate classes to support this new service and if so, is the rate design potentially unduly discriminatory? The BCUC recently found that there is no economic or cost of service justification to justify all utility customers subsidizing low-income rates⁵. Is there a cost of service justification for all utility ratepayers subsidizing EV charging infrastructure and service delivery?
17. Whether public utilities should include EV charging stations in their regulated rate base or through a separate non-regulated entity. On a related note, section 6 of Special Direction No. 7 to the BCUC provides that in setting rates for BC Hydro, the BCUC must include the net income of the BC Hydro's subsidiaries, assuming that the net income of Powerex Corp. equals trade income.⁶ Section 6 of Special Direction No. 7 may be interpreted to mean that the net income of BC Hydro's other non-regulated subsidiaries including PowerTech Labs Inc. would impact BC Hydro. Should the BCUC consider the issue of regulated rate base vs. separate non-regulated entity differently for BC Hydro relative to other regulated electric utilities?
18. If EV charging infrastructure and delivery require subsidization, who should provide the subsidy?
19. Matters related to reliability, accessibility, obligation to serve, safety, and regulatory cost allocation, similar to items 8b through 8e above.

Other

20. Participants filed submissions regarding the need to standardize the hardware (e.g. plug or adaptors) and software (e.g. network management and payment systems) of the EV charging stations. Are hardware and software standards within the purview of the BCUC's regulation? And if so, the extent of the regulation that ought to be applied to these standards.

⁵ BC Hydro 2015 Rate Design Application Decision dated January 20, 2017, p. 59.

⁶ http://www.bclaws.ca/civix/document/id/lc/statreg/28_2014