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August 1, 2018

Patrick Wruck
Commission Secretary & Manager, Regulatory Services
British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC Canada V6Z 2N3

Dear Mr. Wruck,

***Re: Inquiry into the Regulation of Electric Vehicle Charging Service -
Project No.1598941***

The Urban Development Institute (UDI) would like to once again thank the British Columbia Utilities Commission (BCUC) for reviewing the regulations regarding Electric Vehicle Charging (EVC) services. As we have stated, this is an important matter for our members who are increasingly installing EVC infrastructure in new buildings. We are also pleased that the Panel has agreed with many of the interveners and adopted a phased approach to the process, and are still open to our suggestion to hold "... workshops on narrower topics such as the issue of EV charging services being installed in new developments." In this initial phase, the BCUC is seeking responses regarding a potential regulatory framework, and asking two additional questions.

Straw Man Regulatory Framework

The proposed regulatory framework that is being put forward is:

"Entities not otherwise public utilities will, with respect to the provision of electric vehicle charging services, be exempt from Part 3 of the UCA except for sections 25, 26, 38, 42, 43, 38 44, and 49. Entities that are otherwise public utilities may apply for BCUC approval to provide regulated EV charging services."

UDI would be supportive of this type of regulatory framework, although we want to ensure that it's applied to all types of new developments – strata residential, rental housing, commercial, industrial, resort, and institutional projects. As noted above, our members are installing EVC infrastructure in their projects – either voluntarily or due to municipal requirements. It is priority for them to be able to recover the costs of the electricity, administrative costs (e.g. billing) and infrastructure upgrades such as larger electrical closets, meters, conduit/wiring, and potentially incremental BC Hydro related infrastructure costs to accommodate higher energy loads (e.g. if a building requires a substation instead of a transformer).

In addition, UDI would like to ensure there is the potential of a return on these expenses. This is especially important for attracting third parties to deliver EVC services in new buildings. As we have noted before, most of our members (especially in the residential sector) are not interested in managing EVC services in their projects and will be utilizing third parties. This could even include both Stream "A" and Stream "B" low carbon energy systems utilities.

It appears that the proposed Straw Man Regulatory Framework would allow either a developer, a third party, or a strata to charge for these costs and allow for a return on the investments. As such, UDI would endorse the approach. We understand, and fully support, that safety issues would still be regulated. We will address the second part of the Straw Man Regulatory proposal, the matter of EVC services and utilities, in Question 2.

Question One

The Panel is also seeking advice on "*The legal interpretation regarding the "for compensation" wording within the definition of a public utility under the UCA.*" UDI is not equipped to provide a legal opinion on this. We understand there are questions with regard to whether free electric charging for vehicles is, in fact, "free".

Our members are familiar with this issue, as it has been a problem in some stratas. In the past, some strata councils have turned off the electricity to charging stations in their garages because the "free" electricity used by some of the residents (those who own electrical vehicles) has been paid for by all of the residents through higher strata fees. The Straw Man Regulatory Framework would resolve this issue.

It becomes far more complex on the commercial side, however. If a mall provides free EVC services to shoppers with electrical vehicles, the costs of this would be passed onto tenants, and then indirectly to all shoppers. How could a regulator or even the mall owner track the impacts of these costs on the other shoppers or the general public? In addition, some of these costs may be offset by increased sales in the mall with free EVC services (this is why many mall owners may be interested in providing these services for free). This is akin to a coffee shop providing free Wi-Fi. It may not be "free" in the end to consumers or the general public, but it is also far too complicated for a government (or a government agency) to determine the impacts of the free services on the general public and then take the next step and develop and enforce regulations to mitigate those impacts.

Question Two:

Finally, the Panel is asking about the "*Interpretation of section 18 of the Clean Energy Act and section 4 of the GGRR as a prescribed undertaking, thereby enabling existing public utilities such as BC Hydro and FBC to provide EV charging services with the inclusion of EV charging stations in their regulated rate base.*"

Again, UDI is not in a position to provide legal advice and we do not want to speak on behalf of the BC Hydro and FortisBC. However, as a matter of policy, if the BCUC does not move forward with the Straw Man Regulatory Framework, we would support an approach in which both utilities could provide EVC services (including in new developments), and roll those costs into their regulated rate base. As noted above, our members are providing EVC services, many times due to municipal requirements, and often cannot recover all of the costs associated with providing

EVC services. These costs are then borne by all the purchasers – whether they own electrical vehicles or not. From our industry’s perspective, it would be critical that under this model, the incremental costs associated with delivering EVC infrastructure and services in new developments would be recovered by BC Hydro and FortisBC. However, UDI does not have the necessary knowledge to provide advice on whether this should be considered a “*prescribed undertaking*” under the *Clean Energy Act* and/or the *Greenhouse Gas Reduction Regulation*.

In conclusion, UDI would prefer the adoption of the Straw Man Regulatory Framework because we believe it would allow the many costs associated with developers providing EVC infrastructure and services in their projects to be recovered. If the BCUC does not move forward with this approach, the scenario outlined in Question 2 would be acceptable as long as the utilities paid for all of the EVC costs. In terms of Question 1, we believe it may too complicated for the BCUC or others to regulate “free” services. We, again thank the BCUC for conducting the EVC review. UDI looks forward to working with the Panel, Commission staff and the other stakeholders as this Hearing process proceeds.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Anne McMullin', with a stylized flourish at the end.

Anne McMullin
President & CEO