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Utilities Commission

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December 6, 2018

Sent via eFile

BCUC REGULATION OF ELECTRIC VEHICLE CHARGING SERVICE INQUIRY EXHIBIT A-37
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To: Registered Interveners

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

Enclosed please find British Columbia Utilities Commission Order G-231-18 together with the Scope of the Inquiry – Phase Two and a regulatory timetable for Phase 2 of the Inquiry.

Sincerely,

Original signed by:

Patrick Wruck
Commission Secretary

/dg

Enclosure



ORDER NUMBER
G-231-18

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

British Columbia Utilities Commission
An Inquiry into the Regulation of Electric Vehicle Charging Service – Phase 2

BEFORE:

D. M. Morton, Commissioner / Panel Chair
A. K. Fung, QC, Commissioner
H. G. Harowitz, Commissioner

on December 6, 2018

ORDER

WHEREAS:

- A. By Order G-10-18 dated January 12, 2018, the British Columbia Utilities Commission (BCUC) established an inquiry into the regulation of electric vehicle charging service (Inquiry) pursuant to section 82 of the *Utilities Commission Act* (UCA);
- B. By Orders G-19-18, G-67-18 and G-96-18, the BCUC established the Regulatory Timetable for the Inquiry. Appendix B to Order G-19-18 provides the preliminary scope of the Inquiry;
- C. By Order G-119-18 dated July 4, 2018, the BCUC determined that a phased approach is appropriate for the Inquiry and established the scope of Phase 1 issues;
- D. On November 26, 2018, the BCUC issued the Phase 1 Report for the Inquiry. In the Phase 1 Report, the Panel provided a set of items for intervener evidence and submissions in Phase 2; and
- E. The BCUC considers that a Regulatory Timetable should be established and initiates Phase 2 of the Inquiry.

NOW THEREFORE the BCUC orders as follows:

- 1. Phase 2 of the Inquiry is established. The scope and regulatory timetable for Phase 2 of the Inquiry are attached as Appendices A and B to this Order, respectively.
- 2. Registered interveners in Phase 1 of the Inquiry are granted intervener status to participate in Phase 2. These parties are not required to submit an additional request to intervene for Phase 2.

3. Any new interveners wishing to participate in Phase 2 of the Inquiry are to register with the BCUC by completing a Request to Intervene Form, available on BCUC's website at <https://www.bcuc.com/forms/request-to-intervene.aspx> by Thursday, January 3, 2019, and in accordance with the BCUC's Rules of Practice and Procedures at https://www.bcuc.com/Documents/Participant-Info/G_1_16_BCUC_Rules_of_Practice_and_Procedure.pdf
4. Registered interveners may file evidence by Monday, January 28, 2019, based on the scope of Phase 2 of the Inquiry attached as Appendix A to this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 6th day of December 2018.

BY ORDER

Original signed by:

D. M. Morton
Commissioner

Attachments

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

Scope of the Inquiry – Phase Two

On January 12, 2018, the British Columbia Utilities Commission (BCUC) established an Inquiry into the regulation of electric vehicle (EV) charging service (Inquiry). On November 26, 2018, the BCUC issued the Phase 1 Report.¹ In the Phase 1 Report, the Panel recommends that the Minister of Energy, Mines and Petroleum Resources issue an exemption with respect to BCUC's regulation of EV charging services but that the BCUC retain oversight on safety.

Phase 2 of the Inquiry will focus on the regulatory framework for EV charging service providers that are have not been recommended for exemption (e.g. BC Hydro and FortisBC Inc.) (non-exempt public utilities). In Phase 2, the Panel seeks evidence and submissions from interveners on the following:

Regulatory framework for non-exempt public utilities (pp. 47–48 of the Phase 1 Report)

1. Can both regulatory models – little or no regulation for those exempt public utilities and the participation of non-exempt utilities – co-exist? In the absence of price regulation, how can EV charging providers that are not otherwise public utilities (which would be exempt from regulation in accordance with the Panel's recommendation) be protected from being undercut by non-exempt public utilities? Should non-exempt public utilities be restricted to participate only in remote geographical locations that are currently uneconomical for exempt EV charging providers to serve?
2. If the provision of EV charging is exempt from regulation, is there any justification for non-exempt public utilities to provide EV charging services? If the role of non-exempt public utilities is to kick start the market, how can the BCUC determine when the kick start is no longer needed? What is the role of those utilities once that kick start is completed? If there are stranded assets at that time how should they be dealt with?
3. If non-exempt public utilities participate in the EV charging market, should EV charging customers constitute a separate class from which costs associated with EV charging infrastructure is recovered? Or should the service be offered in a separate non-regulated business? What are the implications of each of these regulatory models?
4. Should other customer classes of non-exempt public utilities subsidize costs associated with the provision of charging services that can't be recovered from EV charging customers? How much of the cost is it appropriate for them to subsidize – should there be a cap?
5. If assets are stranded as a result of changing technology or other factors, who should pay for the potential stranded EV charging assets which may be in the non-exempt public utility's rate base?
6. In the context of BCUC economic regulation, what regulatory justification is required to allow existing utilities to cross subsidize EV charging services? If EV charging services add incremental load, does that justify cross-subsidization? Would the incremental load appear without the subsidization?

¹ EV Inquiry Phase 1 Report: https://www.bcuc.com/Documents/Proceedings/2018/DOC_52916_2018-11-26-PhaseOne-Report.pdf;

EV Inquiry Phase 1 Report Executive Summary: https://www.bcuc.com/Documents/Proceedings/2018/DOC_52919_2018-11-26-BCUC-EV-Inquiry-Executive-Summary.pdf

7. What are the implications of the province’s energy objectives, as stated in the *Clean Energy Act*, with respect to non-exempt public utilities providing potentially subsidized EV charging services? Are there non-economic justifications such as environmental benefits or meeting greenhouse gas reduction targets?
8. If non-exempt public utilities participate in the EV charging market, do they have any obligation to serve EV charging customers?
9. Should non-exempt public utilities be provided the same exemptions in regard to EV charging services as are other EV charging market participants? This includes exemption from Part 3 of the UCA, with similar retentions of certain sections by the BCUC.
10. Any other comments that may be helpful to the Panel.

Wholesale rate (p. 49 of the Phase 1 Report)

11. Is there a need for a specific tariff provisions for the wholesale provision of electricity for the purpose of EV charging?
12. If so, how should this wholesale tariff be designed? Is a time of use rate appropriate? Should there be any differences depending on the type of EV charging – Level 1, Level 2, and/or DCFC stations?

Safety (pp. 38 and 48 of the Phase 1 Report)

13. Section 3 of the Electrical Safety Regulation states that it “does not apply to a public utility as defined in the *Utilities Commission Act* in the exercise of its function as a utility with respect to the generation, transmission and distribution of electrical energy”. Further, “distribution equipment” is a defined term in the UCA. Although it seems clear that EV charging equipment is not “generation or transmission”, the Panel did not make any finding in the Phase 1 Report on whether EV charging infrastructure is “distribution equipment.” The Panel invites submissions on this issue in Phase 2.

In responding, Interveners are requested to consider the status of the provider – for example, is the interpretation different for a non-exempt public utility than it would be for an exempt utility or a provider excluded from the definition of a public utility?

Greenhouse Gas Reduction Regulation (p. 52 of the Phase 1 Report)

14. In Phase 2, the Panel invites submissions from Interveners on whether amendments to the Greenhouse Gas Reduction Regulation to allow public utilities to own and operate EV charging stations as a “prescribed undertaking” are appropriate and if so, the appropriate extent and scope of such undertaking.

British Columbia Utilities Commission
An Inquiry into the Regulation of Electric Vehicle Charging Service – Phase 2

REGULATORY TIMETABLE

Action	Date (2019)
Registration of new interveners	Thursday, January 3
Intervener evidence on Phase 2 scoped items	Monday, January 28
Further process	To be determined