



February 13, 2019

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<b>BCUC REGULATION OF ELECTRIC VEHICLE CHARGING SERVICE INQUIRY EXHIBIT A-40</b>
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To: Registered Interveners

**Re: British Columbia Utilities Commission – An Inquiry into the Regulation of Electric Vehicle Charging Service – Phase 2 –Project No. 1598941- Information on the February 27, 2019 Procedural Conference**

By Order G-27-19 dated February 8, 2019, the British Columbia Utilities Commission (BCUC) established a Procedural Conference for Phase 2 of the Inquiry into the Regulation of Electric Vehicle Charging Service (Inquiry). **The Procedural Conference for Phase 2 of the Inquiry will be held on Wednesday, February 27, 2019, commencing at 9:00a.m. (Pacific Time) at the BCUC Hearing Room, 12<sup>th</sup> Floor, 1125 Howe Street, Vancouver, BC.** Interveners expecting to attend in person are requested to pre-register with the BCUC via email at [Commission.Secretary@bcuc.com](mailto:Commission.Secretary@bcuc.com).

By Order G-231-18 dated December 6, 2018 (Exhibit A-37), the BCUC set out the scope and regulatory timetable for Phase 2 of the Inquiry. The scope for Phase 2 of the Inquiry is re-attached as Appendix A to this letter. By January 28, 2019, the BCUC received submissions from interveners on the Phase 2 scoped items.

The Panel notes that the submissions received contain a combination of arguments and evidence. We now establish a Procedural Conference in order to receive oral submissions from registered interveners on the following matters:

1. Whether the evidentiary record is adequate for the Panel's deliberation for the scope items in Phase 2:
  - a. If so, should Phase 2 of the Inquiry now proceed to final argument?
  - b. If not, please specify which areas in the Phase 2 scoped items require additional evidence. What is the nature of the evidence anticipated? What is the appropriate regulatory review process to gather this evidence for an adequate evidentiary record?

For example, for the items set out in the regulatory framework for non-exempt public utilities and the wholesale rate sections, is there adequate evidence regarding other jurisdictions' business models, approaches, and experience regarding non-exempt public utilities providing EV charging services? What are the maturity level of the EV charging market and the applicable government policy directions in those jurisdictions? How and why is this evidence relevant, if at all, in consideration of BC's current legislative and policy framework?

2. The appropriate timeline of any subsequent process considering the interveners' submissions on item #1 above.
3. Any other procedural or scope matters interveners wish to present to the Panel for consideration.

Sincerely,

*Original signed by:*

Patrick Wruck  
Commission Secretary

LC/dg

Attachment

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

**Scope of the Inquiry – Phase Two**

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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.<sup>1</sup> 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?

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<sup>1</sup> EV Inquiry Phase 1 Report: [https://www.b cuc.com/Documents/Proceedings/2018/DOC\\_52916\\_2018-11-26-PhaseOne-Report.pdf](https://www.b cuc.com/Documents/Proceedings/2018/DOC_52916_2018-11-26-PhaseOne-Report.pdf);

EV Inquiry Phase 1 Report Executive Summary: [https://www.b cuc.com/Documents/Proceedings/2018/DOC\\_52919\\_2018-11-26-BCUC-EV-Inquiry-Executive-Summary.pdf](https://www.b cuc.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.