

May 26th 2021

British Columbia Utilities Commission
6th Floor – 900 Howe Street
Vancouver, BC V6Z 2V3

Mr. Patrick Wruck, Commission Secretary

**RE: FORTISBC INC. RATE DESIGN AND RATES FOR ELECTRIC VEHICLE DIRECT CURRENT
FAST CHARGING SERVICE APPLICATION ~ PROJECT NO. 1598940**

Please find attached ChargePoint's responses to oral hearing questions posed by the Commission in Exhibit A-16. We will not be able to attend the oral hearing and submit these comments in lieu of our participation. Please contact me if you have any questions.

Respectfully,

Suzanne Goldberg
Director, Public Policy – Canada
ChargePoint
Phone: 1 866-480-2936
Email: suzanne.goldberg@chargepoint.com

FORTISBC INC. RATE DESIGN AND RATES FOR ELECTRIC VEHICLE DIRECT CURRENT FAST CHARGING SERVICE APPLICATION ~ PROJECT NO. 1598940

**CHARGE POINT
ORAL HEARING SUBMISSION
TO FORTIS BRITISH COLUMBIA (FORTISBC)**

May 26 2021

On May 10th 2021, the Commission issued a letter to establish an oral hearing to address additional questions. ChargePoint will not be able to attend the hearing, and is providing this submission in lieu of our participation. Please see ChargePoint's responses to the Commission's questions outlined in Exhibit A-16 below.

Interpretation of the purpose and object of the Clean Energy Act (CEA) and Greenhouse Gas Reduction (Clean Energy) Regulation (GRR) FortisBC Inc.

(FBC) submits that the British Columbia Utilities Commission (BCUC) must give section 18 of the CEA and section 5 of the GRR “a fair, large and liberal interpretation that best ensures the attainment of its objects” in accordance with the Interpretation Act. FBC argues that the purpose and object of the CEA and GRR are “to endorse and encourage the actions of public utilities to invest in eligible charging stations in order to reduce greenhouse gas emissions in B.C.”

- 1. How does a “fair, large and liberal interpretation” lead to the interpretation that the CEA and GRR “endorse and encourage” public utilities (as opposed to non-regulated EV charging service providers) to invest in EV charging stations? Why is it not equally plausible that a reduction of greenhouse gas emissions in BC can be achieved by public utilities not investing in EV charging stations, limiting investments in certain segments of the EV charging market only, or having other EV charging service providers make the investments in a competitive market?**

ChargePoint's Response 1.0

ChargePoint does not make a specific submission on how a “fair, large and liberal interpretation” leads to the interpretation that the CEA and GRR “endorse and encourage” public utility investment in electric vehicle (EV) charging; however, we do note following:

- The GRR does provide a mechanism for public utilities to invest in EV charging with some limitations.
- Greenhouse gas emission reductions in BC's transportation sector can equally be achieved through the competitive market by third parties (i.e. exempt utilities) investing in EV charging stations as evidenced by the over public 2,500 charging stations in the province¹ that are owned and operated by universities, municipalities, fueling providers, retail outlets, utilities and auto manufacturers. Utility ownership of EV charging stations is therefore not a necessary condition for greenhouse gas reductions.
- BC's EV market is emerging, and in areas with lower EV uptake, the business case in certain contexts (e.g. rural fast charging) can be challenging – this is in large part due to demand charges that were initially designed for commercial and industrial loads rather than EV loads. Therefore, government support via policy may be needed to accelerate emission reductions from transportation electrification; however, as noted above, utility

¹ BC Government 2020 zero emission vehicle update, https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/electricity-alternative-energy/transportation/2020_zero_emission_vehicle_update.pdf.

ownership of EV charging stations is not a necessary condition to achieve emissions reductions. Government policy or utility programs which leverage private capital would also support, perhaps more cost effectively, emission reductions. Such mechanisms could include: rebates for charging infrastructure and “make-ready” investments or rebates facilitated as prescribed undertakings within the GGRR, or optional EV charging demand rates such as those implemented in Quebec and California.²

- BC has ambitious zero emission vehicle sales and greenhouse gas reduction goals. This will require significant investment in EV charging. With that context in mind, the goals of the GGRR/CEA, as stated by FBC, could also be achieved with alternative mechanisms which leverage private investment and support rate payers.

With respect to the interpretation of “eligible charging site” as contained in section 5 of the GGRR, FBC submits: When interpreting legislation, attention must also be placed on its purpose. When reading section 5 of the GGRR as a whole, it is apparent that the purpose of the definition of “eligible charging site” is to introduce the concept of location so that site limits on specific municipalities can be incorporated. Therefore, the key aspect of the “eligible charging site” is the municipality in which it is located, as this will determine the applicable “site limit” (if any). Other than determining the applicable “site limit” (if any), there is no other purpose of the definition of “eligible charging site”.

- 2. How does the notion of a site limit support the purpose and objective of section 18 of the CEA and section 5 of the GGRR?**

ChargePoint’s Response 2.0

It is ChargePoint’s understanding that the notion of “site limit” determines the limitations or scope of utility investment as a prescribed undertaking within the GGRR, much like other sections of the GGRR that set limitations on utility investment for other prescribed undertaking.³

Interpretation of “eligible charging site”

- 3. If one area has multiple clusters of EV charging stations, would that entire area be considered one “site” or would each cluster be considered a separate “site” for the purposes of section 5(1) and 5(2)(b)(ii) of the GGRR?**
 - a. Scenario A: a limited municipality has a limit of 2 eligible charging sites, and it currently only has eligible charging stations located in one parking lot, but the stations are located as one cluster at one end of the parking lot and another cluster at the other end. The existing stations in the lot are not owned and operated by FBC, could FBC construct and operate eligible charging stations in a separate cluster in the same parking lot as a prescribed undertaking?**
 - b. Scenario B: a limited municipality has a limit of 2 eligible charging sites, and it currently only has eligible charging stations located at one shopping centre. The shopping centre has 3 different parking lots (i.e. lots A, B, and C). Lots A and B currently have eligible charging stations that are not owned and operated by FBC, could FBC construct and operate eligible charging stations in lot C as a prescribed undertaking?**

² Details of EV charging demand charges implemented in Quebec and California are outlined in British Columbia Hydro and Power Authority Fleet Electrification Rate Application ~ Project No. 1599032, Exhibit B-1.

³ See for example, Sections 2(3.1) or Section 4(3)(e) of the Greenhouse Gas Reduction Regulation, https://www.bclaws.gov.bc.ca/civix/document/id/complete/statreg/102_2012#section2.

ChargePoint's Response 3.0

Regarding the interpretation of "eligible site", please see our response to the BCUC's first questions ("Question #1") in ChargePoint's final argument.⁴ As noted in our response above, the concept of "site limit" and "eligible site" act to limit or prescribe what a utility can and cannot invest in. It may also reflect recommendations from the BCUC to government in its Phase 2 EV Charging Inquiry report which noted that "[t]he scope of the prescribed undertaking should be defined as narrowly as possible and monetary caps and/or time limits provided for the prescribed undertaking" and "... the quantum of investment by non-exempt utilities allowed by specific direction be carefully circumscribed to ensure that the private sector isn't unfairly impacted and non-exempt utility ratepayers are not at undue risk".⁵ Therefore, ChargePoint suggests that impacts on BC's growing competitive market for EV charging be considered when interpreting scenarios such as those outlined in this question.

- 4. Would the answer to the preceding questions change if there were multiple EV charging station operators operating within the same area or within each cluster of charging stations?**

ChargePoint's Response 4.0

Please see ChargePoint's Response 3.0.

Investment time horizon and keeping up with technology

FBC states that its "proposed rates are based on a cost of service analysis of its eligible charging stations and assume a reasonable level of use based on FBC's experience with its existing stations and projected growth in sales of EVs in BC over the next 10 years." However, interveners note that the inputs used in FBC's model contain considerable uncertainty and are difficult to predict over the 10 year period. FBC does not believe a formal EV charging service resource plan is required at this time because it is not clear whether additional investment will be required to further support public fast charging services in FBC's service territory. FBC notes that after 10 years, its charging stations technology will become obsolete and the equipment will have reduced reliability. Flintoff submits that EV technology is rapidly changing and the industry will most likely produce EVs with increased range, requiring higher battery charging rates and shorter charging times.

- 5. How would FBC ensure that its EV charging station technology is kept current and competitive with other service providers? How would FBC address the disposal and retirement of its EV charging equipment if it becomes obsolete sooner than expected?**

⁴ ChargePoint Final Argument: https://www.bcuc.com/Documents/Arguments/2021/DOC_61831_2021-03-30-ChargePoint-Final-Argument.pdf.

⁵ British Columbia Utilities Commission Inquiry into the Regulation of Electric Vehicle Charging Service ~ Project No. 1598981, Section 9.3.2, https://www.bcuc.com/Documents/Proceedings/2019/DOC_54345_BCUC-EV-Inquiry-Phase2-Report.pdf.

ChargePoint's Response 5.0

ChargePoint does not make a direct submission on what FBC should do but does make the following comments in response to the question preamble.

In ChargePoint's experience:

- ChargePoint disagrees with FBC, that charging stations will necessarily become obsolete after 10 years. Charging stations have proven to have useful, operable lives in excess of 10 years.
- ChargePoint agrees with Flintoff that the market for EV charging services is expanding and evolving at a rapid pace.
- Given the rapid market evolution and changing driver dynamics, ChargePoint suggests that alternative models of utility investment, such as customer rebates for charging stations and/or utility make-ready investment provide less costly and less risky investment options, minimize the risk of stranded assets, and are more flexible alternatives that will accelerate the competitive market.