

# William J. Andrews

## Barrister & Solicitor

Member of the Law Society of British Columbia

70 Talbot Street, Guelph, ON, N1G 2E9

Phone: 604-313-0089, Email: [william.j.andrews01@gmail.com](mailto:william.j.andrews01@gmail.com)

July 22, 2021

Blake, Cassels & Graydon LLP

855 - 2nd Street S.W

Calgary AB T2P 4J8

Attn: Terri-Lee Oleniuk

By email: [terri-lee.oleniuk@blakes.com](mailto:terri-lee.oleniuk@blakes.com)

Dear Ms. Oleniuk:

Re: BC Hydro Public Electric Vehicle Fast Charging Rate Application  
B.C. Sustainable Energy Association/Vancouver Electric Vehicle Association  
Questions for Suncor Energy Inc.'s Response at the Streamlined Review Process

---

Pursuant to the regulatory timetable set out in BCUC Order G-176-21 [Exhibit A-7], attached please find BCSEA-VEVA's questions for Suncor's response at the Streamlined Review Process scheduled to begin on July 26, 2021.

If you have any questions, please do not hesitate to contact me.

Yours truly,

William J. Andrews



Barrister & Solicitor

Encl.

REQUESTOR NAME: **BC Sustainable Energy Association and Vancouver Electric Vehicle Association**

QUESTIONS FOR RESPONSE AT STREAMLINED REVIEW PROCESS

TO: **Suncor Energy Inc.**

DATE: **July 22, 2021**

PROJECT NO: **1599190**

APPLICATION NAME: **BC Hydro Public Electric Vehicle (EV) Fast Charging Rate Application**

---

**1.0 Topic: BC Hydro Public Fast Charging Rates**  
**Reference: Exhibit C20-4, Suncor Evidence; Exhibit C20-11, Suncor Response to BCSEA-VEVA IR 1.1; Exhibit C20-10, Suncor Response to BCUC IR 6, 7**

BCSEA-VEVA is unclear what Suncor believes BC Hydro's rates for public fast charging should be.

In IR 1.1, BCSEA-VEVA asked Suncor what rates for BC Hydro's public EV fast charging service Suncor supports. Suncor referred to its responses to BCUC IRs 6 and 7. Suncor provides a table in its response to BCUC IR 7 (pdf p.14) that shows "Per minute rate (proposed)" of \$0.33/min and \$0.45/min under column headings "3.7% utilization scenario @ 100kW [sic]" and "3.7% utilization scenario @ 100kW". The prices (\$0.33/min and \$0.45/min) are described as "pre-tax."

- 1.1 Please confirm, or otherwise explain, that the heading for the middle column on pdf p.14 should be "3.7% utilization scenario @ 50kW".
- 1.2 Please clarify if Suncor is saying that BC Hydro's public fast charging rates should be \$0.33/min and \$0.45/min (pre-tax) for 50 kW and 100 kW respectively? If not, please state what Suncor believes should be the rate(s) for BC Hydro's public fast charging service.
- 1.3 If Suncor's position is that BC Hydro's public fast charging rates should be \$0.33/min and \$0.45/min (pre-tax) for 50 kW and 100 kW respectively then please explain Suncor's rationale.
  - 1.3.1 Why should BC Hydro's public fast charging rates be substantially higher than Suncor's public fast charging rates in BC (\$0.27/min after tax and \$0.24/min pre-tax for 50-350 kW)?
  - 1.3.2 Why should BC Hydro's public fast charging rate for 100 kW chargers be substantially higher than Suncor's highest rate for charging up to 350 kW across Canada (\$0.33/min after tax)?
  - 1.3.3 Why does Suncor say BC Hydro should have different rates for 50 kW and 100 kW (\$0.33/min and \$0.45/min pre-tax) when Suncor itself has the same rate (\$0.27/min after tax) for chargers from 50 kW up to 350 kW?
  - 1.3.4 In proposing that BC Hydro's rates should be \$0.33/min for 50 kW and \$0.45/min for 100 kW (pre-tax) does Suncor take into account that rates this high would reduce the utilization of BC Hydro's

stations compared to utilization at the rates proposed by BC Hydro?

- 1.3.5 Does Suncor take into account that by reducing the utilization of BC Hydro's public fast charging stations Suncor's recommendation to substantially increase the rates for BC Hydro's public fast charging stations would increase the cross-subsidization by general ratepayers?
- 1.3.6 Does Suncor want to raise its price in BC for 50-350 kW public fast charging from \$0.27/min up to \$0.45/min (pre-tax)? Is that why Suncor says BC Hydro should charge \$0.45/min (pre-tax) for 100 kW charging?

Suncor says:

"We also propose that BC Hydro calculate electricity cost recovery to account for a multi-charger system with peak demands that extend beyond the 50kW and 100kW max used by BC Hydro. This would more closely reflect the exempt parties network design. For illustrative purposes, Suncor has prepared the below scenario using a 86kW peak for 50kW and a 120kW peak for 100kW pricing." [underline added]

- 1.3.7 Why does Suncor say that BC Hydro's public fast charging rates for 50 kW and 100 kW chargers should be based on other providers' peak demand costs that are higher than BC Hydro's actual peak demand costs?

**2.0 Topic: "Uneven playing field"**  
**Reference: Exhibit C20-10, Suncor Response to BCUC IR 2.5**

In response to BCUC IR 2.5, Suncor states:

"Suncor does not agree that charging rates designed to recover BC Hydro's specific electricity costs levels the playing field for private sector operators for the following reasons:  
(1) BC Hydro's site design, which contemplates the installation of a single charger per location, maintains their rate service as a medium general service. Private sector operators, like Suncor, will try to maximize their sunk capital costs by installing multiple chargers per location, which can drive peak demand into >150kW. This puts them into the large general service category, which results in much higher electricity demand charges;..."

- 2.1 What does Suncor mean when it says "Private sector operators, like Suncor, will try to maximize their sunk capital costs by installing multiple chargers per location"? Why would any entity try to maximize its sunk capital costs? If the intended word was "minimize," please explain how installing multiple chargers per location would minimize an operator's sunk capital costs.

- 2.2 Would Suncor agree that investing in high-power (>100 kW) chargers and multiple chargers per site that attract substantial demand charges in the large general service category is a high-cost/premium service approach, compared to BC Hydro's modest-cost/modest service approach?

Suncor continues,

"(2) BC Hydro charges private sector operators a cost to upgrade service to their locations as outlined in ChargePoint's evidence (Exhibit C-4, Table 1 – "BC Hydro Connection Fee"). This cost benefits BC Hydro and should be considered in the level playing field calculation for BC Hydro; and..."

- 2.3 Does Suncor dispute that BC Hydro's "connection fees" are approved by the BCUC and are intended to recover not more than BC Hydro's incremental costs of serving a new customer?

In response to BCUC IR 2.5, Suncor concludes:

"(3) Most importantly, BC Hydro is uniquely advantaged with its ability (as proposed by BC Hydro) to recover its loss on other costs (capital, maintenance, etc.) through its ratepayers."

- 2.4 Does Suncor accept that BC Hydro's public fast charging stations are prescribed undertakings under s.5 of the GGRR?
- 2.5 Does Suncor acknowledge that by adopting s.5 of the GGRR the BC Government chose the "prescriptive approach," described in the BCUC's EV Charging Phase Two Report as completely derisking a non-exempt utility's investments in public fast charging prescribed undertakings?

**3.0 Topic: Suncor's proposed changes**  
**Reference: Exhibit C20-10, Suncor Response to BCUC IR 2.6**

In response to BCUC IR 2.6, Suncor states:

"Suncor agrees that a more level playing field would encourage private/public investment in EV charging infrastructure in advance of adoption levels that drive site utilization to a sustainable financial level. Suncor submits that the most effective way to level the playing field is to focus on three main changes:

- (1) removing demand charges;
- (2) reducing the capital associated with BC Connection Fees; and
- (3) reforming rate structures to include kWh, time, dynamic pricing and tiers per kW drawn." [underline added]

- 3.1 Please specify which of these topics Suncor wants the BCUC to rule on in this proceeding and state the outcome Suncor requests.

**4.0 Topic: LGS demand changes**  
**Reference: Exhibit C20-11, Suncor Response to BCSEA-VEVA, IR 1.11**

In the course of explaining its position regarding demand charges, Suncor states:

“We have also proposed an increase to base electricity fees for EV charging operators to remove variability, while contributing to any added costs related to supporting short-duration, high-power peaks.” [underline added]

- 4.1 Please clarify what Suncor means by “base electricity fees.” Does this refer to the energy charge (\$/kWh), to the basic charge (\$/day), or to something else?

**5.0 Topic: EV Charging Rates designed to maximize EV Charging Revenue  
Reference: Exhibit C20-10, Suncor Response to BCUC IR 5.2, 6.1, 6.2.1;  
Exhibit B-11, BC Hydro Submission on Evidence and Regulatory Issues**

In response to BCUC IR 5.2, Suncor states:

“Suncor proposes setting a minimum rate for non-exempt utilities in conjunction with a reporting requirement to ensure that non-exempt utilities maximize direct revenue from their EV fast charging services.” [underline added]

In Exhibit B-11, BC Hydro submits in part:

“Subsidization is reduced by setting the EV Charging Rates at the level that maximizes EV Charging Revenues and transparency is achieved by the Commission’s directions to report, on an annual basis, all the EV Charging Costs and EV Charging Revenues in future revenue requirement applications, starting with the F23-F25 RRA in August of this year.” [pdf p.5, underline added]

- 5.1 Does Suncor take the position that BC Hydro’s proposed rates are not intended to “maximize direct revenue from their EV fast charging services”? Or is Suncor’s position that BC Hydro’s proposed rates would not actually maximize BC Hydro’s direct revenue from its EV fast charging services?
- 5.2 Is it Suncor’s position that the rates for BC Hydro (\$0.33/min for 50 kW and \$0.45/min for 100 kW, pre-tax) in Suncor’s table in response to BCUC IR 7.1 would maximize BC Hydro’s direct revenue from its EV fast charging services? If so, why? If not, why not?
- 5.3 Would Suncor agree that its position that an non-exempt utility such as BC Hydro should “maximize direct revenue from [its] EV fast charging services” is substantially the same as BC Hydro’s position that its EV Charging Rates should be set at the level that maximizes EV Charging Revenues and thereby minimizes subsidization from other ratepayers?

In response to BCUC IR 6.1, Suncor states:

“If non-exempt utilities are required to follow a regulatory proceeding to enable price changes, Suncor recommends that the BCUC use the

proceeding to set a minimum (and possibly, a maximum) rate within which non-exempt utilities must operate their EV fast charging service, and require non-exempt utilities to report annually with evidence demonstrating their diligence in ensuring maximum revenue directly from the EV charging network to minimize the subsidization of applying losses to all ratepayers. This would include a system of surveying competitor pricing to determine the appropriate rate that could have been set to maximize revenue. Given the differences in customer needs, vehicle capability and individual experience, BCUC should not set a specific rate that is locked for the proposed three years.” [underline added]

- 5.4 Why does Suncor state “If non-exempt utilities are required to follow a regulatory proceeding to enable price changes...”? Is Suncor suggesting an alternative in which BC Hydro’s public fast charging rates do not require BCUC approval?
- 5.5 What does Suncor mean by the BCUC setting “a minimum (and possibly, a maximum) rate within which non-exempt utilities must operate their EV fast charging service...”?
- 5.5.1 Is it Suncor’s view that the BCUC has authority to approve a BC Hydro public fast charging rate range (minimum and maximum) rather than a certain rate?
- 5.5.2 Is Suncor’s idea that from time to time BC Hydro would change its rates for public fast charging service within the BCUC-approved range?
- 5.5.3 If so, for what purpose(s) would BC Hydro change its rates (within the range)?
- 5.5.4 Does Suncor anticipate that BC Hydro changing its public fast charging rates (within a range) would help exempt providers of public fast charging service? If so, how?
- 5.6 What does Suncor mean by non-exempt utilities demonstrating “their diligence in ensuring maximum revenue directly from the EV charging network to minimize the subsidization of applying losses to all ratepayers”?
- 5.6.1 Does Suncor agree that BC Hydro’s proposed rates are aimed at maximizing its EV charging revenues and minimizing cross-subsidization from all ratepayers?
- 5.7 What does Suncor mean by “surveying competitor pricing to determine the appropriate rate that could have been set to maximize revenue”?
- 5.7.1 Is this a methodology that Suncor applies?
- 5.7.2 BC Hydro supports its proposed rates by reference to a survey of competitor prices for public fast charging in BC. How would Suncor’s proposal differ?

- 5.8 Does “BCUC should not set a specific rate that is locked for the proposed three years” mean that the BCUC should not set a specific rate (rather, it should approve a rate range), or that a specific rate should be approved, but for a period of less than three years?
- 5.8.1 Is Suncor suggesting that the BCUC should hold another proceeding regarding BC Hydro’s public fast charging rates sooner than in three years?
- 5.8.2 Has Suncor considered the regulatory costs of such frequent rate cases?
- 5.9 What specific rate, or rate range, does Suncor propose the BCUC should approve for BC Hydro’s public fast charging? When, in Suncor’s view, should the approved rate or rate range be reexamined by the BCUC?

In response to BCUC IR 6.2.1, Suncor states:

“Multiple, lengthy regulatory proceedings are not conducive to a dynamic market where private investment is made, and operators are attempting to recover and operate profitably while at the same time adapting to customer expectations. Changes in peak power, competition, utilization and time of use, can all have an impact on market pricing. Operators should be afforded every opportunity to implement various pricing mechanisms in order to drive utilization. If BC Hydro’s rate is set for a three-year period and/or requires lengthy approvals to adjust, this would limit the ability of competitors to move pricing up and down to support customer needs.” [underline added]

- 5.10 Please explain the response to BCUC IR 6.2.1.
- 5.10.1 Is Suncor saying that exempt providers do not currently have “every opportunity to implement various pricing mechanisms in order to drive utilization”?
- 5.10.2 Is Suncor saying that BC Hydro’s BCUC-approved public fast charging rates limit the ability of competitors to move pricing up and down to support customer needs?
- 5.10.3 Is Suncor suggesting that BC Hydro’s public fast charging rates should not be regulated by the BCUC?
- 5.11 How does Suncor’s criticism of “Multiple, lengthy regulatory proceedings” jibe with Suncor’s apparent suggestion that BC Hydro’s public fast charging rates should be approved for a period of less than three years?

**6.0 Topic: Low Carbon Fuel Credits**  
**Reference: Exhibit A-13, BCUC Question 27 for BC Hydro; Exhibit C3-5, BCSEA-VEVA Question 5 for BC Hydro; Exhibit C20-1, Suncor Intervention Application**

In its intervention application, Suncor states:

“For Suncor, as an obligated party [under the BC LCFS framework], an uncompetitive pricing market [for public fast charging] puts at risk the ability to generate fuel switching credits as part of the BC LCFS [Low Carbon Fuel Standard] Part 3 program; credit generation is a significant driver for private investment in early-stage EV Fast Charger infrastructure.”

On July 12, 2021, the Low Carbon Fuel Branch of the Ministry of Energy, Mines and Low Carbon Innovation announced that the Renewable and Low Carbon Fuel Requirements Regulation had been amended to, among other things, confirm that “As of January 1, 2022 the supplier for electricity will be the person who provides the electricity through the final supply equipment [with an exception not relevant in the present context].”

- 6.1 What is the effect, if any, of the July 12, 2021 amendment of the Renewable and Low Carbon Fuel Requirements Regulation on Suncor’s ability to generate low carbon fuel credits through its public fast charging service? Does Suncor already (prior to January 1, 2021) generate low carbon fuel credits?