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May 26, 2021

Mr. Patrick Wruck
Commission Secretary and Manager
Regulatory Support
British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Mr. Wruck:

RE: Project No. 1598940
British Columbia Utilities Commission (BCUC or Commission)
British Columbia Hydro and Power Authority (BC Hydro)
FortisBC Inc. (FortisBC) Rate Design and Rates for Electric Vehicle (EV)
Direct Current Fast Charging Service Application (FortisBC Application)
British Columbia Hydro and Power Authority (BC Hydro)
Submission in Accordance with BCUC Request in Exhibit A-16

BC Hydro writes to provide its submissions to address the questions raised by the BCUC as stated in Exhibit A-16 in the FortisBC Application proceeding¹.

BC Hydro's submissions will focus on the questions pertinent to the legal interpretation of the Greenhouse Gas Reduction (Clean Energy) Regulation (**GGRR**) and will not address any factual questions specific to FortisBC.

BC Hydro will not attend the oral submissions session to be held on May 27, 2021.

Interpretation of the purpose and object of the Clean Energy Act (CEA) and Greenhouse Gas Reduction (Clean Energy) Regulation (GGRR)

FortisBC submits that the British Columbia Utilities Commission (**BCUC**) must give section 18 of the CEA and section 5 of the GGRR "a fair, large and liberal interpretation that best ensures the attainment of its objects" in accordance with the *Interpretation Act*.¹ FortisBC argues that the purpose and object of the CEA and GGRR 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."²

¹ BC Hydro note that all the footnotes original to the questions in Appendix A of Exhibit A-16 are omitted.

1. How does a “fair, large and liberal interpretation” lead to the interpretation that the CEA and GGRR “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?

While the BCUC has broad discretion to set rates under the *Utilities Commission Act*, BC Hydro submits that it is not necessary for the BCUC to consider the circumstances raised in the question for the purposes of allowing a public utility cost recovery under section 18 of the *Clean Energy Act*. Section 18 on its face raises no ambiguity about a public utility’s ability to recover costs as long as the fast charging stations are prescribed undertakings under the Greenhouse Gas Reduction (Clean Energy) Regulation (GGRR). The BCUC’s role is to decide whether the fast charging stations of a public utility meet the requirements of a prescribed undertaking under the GGRR so as to allow full cost recovery by the utility.

For BC Hydro, cost recovery with respect to its fast charging stations that are prescribed undertakings is addressed through its revenue requirements applications.

With respect to the interpretation of “eligible charging site” as contained in section 5 of the GGRR, FortisBC 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”.³

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?

The term “site limit” is defined under the GGRR and is used in subsection (2) of section 5 of the GGRR. The definition itself does no more than providing a formula for calculating the “site limit”, is not ambiguous and is not subject to different interpretation.

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 FortisBC, could FortisBC 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 FortisBC, could FortisBC construct and operate eligible charging stations in lot C as a prescribed undertaking?
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?

Under the GGRR, a “site” is where one or more eligible charging stations are located. BC Hydro has previously stated that a site is usually identified by a civic (street) address and may not be restricted to or corresponding to one parcel of land with a unique permanent parcel identifier number recognized under the *Land Title Act*. If and when encountering scenarios described in questions 3 and 4, BC Hydro will consistently apply its interpretation of the “site” for the purposes of GGRR.

Investment time horizon and keeping up with technology

FortisBC 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 FortisBC’s experience with its existing stations and projected growth in sales of EVs in BC over the next 10 years.”⁴ However, interveners note that the inputs used in FortisBC’s model contain considerable uncertainty and are difficult to predict over the 10 year period.⁵ FortisBC 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 FortisBC's service territory.⁶

FortisBC notes that after 10 years, its charging stations technology will become obsolete and the equipment will have reduced reliability.⁷ 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.⁸

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

As these questions are specific to FortisBC, BC Hydro makes no submissions.

For further information, please contact Chris Sandve at 604-974-4641 or by email at bchydroregulatorygroup@bchydro.com.

Yours sincerely,



Chris Sandve
Chief Regulatory Officer

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