

1 **Q. Schedule B – North American Electrification Initiatives**

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3 **The table of information in Schedule B, along with the footnotes provided, notes**
4 **that utility investment in EV Assets in New Brunswick, Nova Scotia, and Quebec is**
5 **unregulated and that rates for EV charging stations in British Columbia are**
6 **regulated by virtue of an Order in Council.**

7
8 **(a) Does Newfoundland Power have any additional information relating to the**
9 **position of the other provinces regarding the regulation of EV Asset**
10 **investment?**

11
12 **(b) Is Newfoundland Power aware of any jurisdictions where the utility is allowed**
13 **to earn a return and recover the cost of the assets but the rate charged to**
14 **consumers for the use of the charging stations is not regulated?**

15
16 A. (a) Yes. In late 2020, the Island Regulatory and Appeals Commission (“IRAC”) in
17 Prince Edward Island approved Maritime Electric’s supplemental budget request for
18 approval of 2020 capital expenditures related to electric vehicle (“EV”) charging
19 stations.¹ The project was approved on a pilot basis. The IRAC approved the
20 project due, in part, to the significant cost savings achieved through the various
21 funding agreements.²

22
23 Maritime Electric will own, operate and maintain the installed EV charging
24 stations.³ The site owner (in this case, municipalities) will be responsible for all
25 energy and demand charges resulting from the use of the charging facilities and for
26 determining what fees that would be charged for that service, if any.

27
28 The IRAC did not approve a charging rate associated with the use of the charging
29 stations by customers.

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31 See the response to Request for Information PUB-NP-002 for further information
32 on the regulation of EV services in Canada.

¹ See Island Regulatory and Appeals Commission, Docket #UE20732, Order UE20-05.

² The IRAC also provided that Maritime Electric will gain valuable information from the project regarding the load impact of EVs, and that this information will assist Maritime Electric’s transmission and distribution planning as EV ownership in PEI is expected to increase.

³ Maritime Electric provided in its evidence that there will also be ongoing O&M costs associated with each site that must be included in the Project estimates. O&M costs associated with the EV charging equipment will be attributed to Maritime Electric. Site related operating costs (i.e. parking area upkeep) would be the responsibility of the site owner.

1 (b) Table 1 provides a sample of utilities from *Schedule B, North American*
 2 *Electrification Initiatives* that recover charging infrastructure costs from
 3 ratepayers.⁴ The table shows (i) the basis of the rate charged to customers in the
 4 utility's jurisdiction for use of the charging stations and (ii) if a charging rate was
 5 included in the utility's published rates schedules.⁵

Table 1
Charging Rates: Basis and Inclusion in Published Rates
(Sample)

Jurisdiction	Utility Example	Basis of Charging Rate ⁶	Published Rate?
Colorado	Xcel Energy	Market-based	No
North Carolina	Duke Energy	Market-based	Yes ⁷
Oregon	Portland General Electric Company	Market-based	Yes ⁸
Maryland	Potomac Edison	Market-based	Yes ⁹
Missouri	Ameren Missouri	Market-based	No
Kentucky	Louisville Gas and Electric	-	Yes ¹⁰
Hawaii	Hawaiian Electric Company	Market-based	Yes ¹¹
Ohio	American Electric Power	Market-based	No
Virginia	Virginia Electric and Power Company	Market-based	No
Georgia	Georgia Power	Market-based	No

6 The sample shows that the rates charged by utilities for EV charging services
 7 generally reflect market rates.

8
 9 Charging market rates is consistent with the practice in Canadian jurisdictions. For
 10 example, a scan of major charging station operators showed that fast charging rates
 11 across Canada range from \$15 to \$20 per hour of use with the exception of Quebec,

⁴ See Newfoundland Power's *2021 Electrification, Conservation and Demand Management Application*, Volume 2, Schedule B. Recovery of costs through electricity rates typically involves a fair return on a utility's investment.

⁵ Rate schedules published by utilities are typically approved by the regulator in that jurisdiction.

⁶ Generally, a rate charged by a utility will reflect regulated costs (i.e. cost of service). However, in some instances, such as with the provision of EV charging services, a market-based rate is charged. That rate is not intended to cover the cost of the charging services. For example, in North Carolina, Duke Energy's *Fast Charge Fee* is intended to recover, at a minimum, the cost of electric service plus transaction and network service costs, but is not anticipated to recover the full cost of the charging infrastructure.

⁷ See the *Electric Transportation Programs* section of Duke Energy's tariffs for North Carolina.

⁸ See *Schedule 16 Electric Vehicle Pole Charging Demonstration Project* published by the Portland General Electric Company. Service under this schedule is provided at no cost to the EV user.

⁹ See the *Company-Owned Electric Vehicle Public Charging Stations Schedule* published by the Potomac Edison Company.

¹⁰ See the *Electric Vehicle Charging* schedule published by Louisville Gas and Electric. It is unclear if the rate is market-based. The Terms and Conditions for the service provides that the service excludes the Company's standard Terms and Conditions set out in its tariff book.

¹¹ See the *Commercial Public Electric Vehicle Charging Service Pilot Schedule EV-U* published by the Hawaiian Electric Company.

1 which charges approximately \$12.00 per hour of use.¹² The scan also shows that
2 charging rates are \$15.00 per hour in Newfoundland and Labrador, Nova Scotia and
3 New Brunswick.
4
5 The sample shows the publishing of rates charged by utilities for EV charging
6 services varies by jurisdiction. In instances where EV charging rates are published,
7 it may be clarified that the rates are market-based and are subject to change on a
8 periodic basis depending on market pricing conditions.¹³
9
10 See the response to Request for Information PUB-NP-002 for further information
11 on the regulation of EV services and revenues in Canada.

¹² See the response to the Request for Information CA-NP-014 for the jurisdictional scan. Charging rates can vary by operator. For example, see Attachment 1 to the response to Request for Information NP-NLH-001 filed in relation to Hydro’s *Application Regarding the Provision of Electric Vehicle Charging Services* for list of the charging rates published by Natural Resource Canada.

¹³ For example, see the *Company-Owned Electric Vehicle Public Charging Stations Schedule* (“EVP”) published by the Potomac Edison Company. Schedule EVP provides that the rates are market-based, may vary based upon siting location, are updated on a quarterly basis, and are within the published ranges. Hawaiian Electric Company’s Schedule EV-U provides that “The Time-of-Use Energy Charges may be re-set each quarter, upon a notice filed with the Commission, to reflect (1) rate changes in the electric rate schedule applicable to the Company-operated electric vehicle charging facility, (2) changes in other costs to operate the charging facility, and (3) efforts to assess the market price appropriate for this service.”