Q. Please provide all available information with respect to other Canadian provinces where utilities have installed DCFC and Level 2 charging stations and have recovered the costs from customers, including a return. If the costs of the DCFC and Level 2 charging stations are typically not recovered from customers in other provinces, please explain why the proposed recovery from utility customers in this province should be approved.

A. *This Request for Information relates to the Electrification, Conservation and Demand Management Plan: 2021-2025 (the "2021 Plan") developed in partnership by Newfoundland Power and Newfoundland and Labrador Hydro ("Hydro" or, collectively, the "Utilities"). Accordingly, the response reflects collaboration between the Utilities.*

EVs are a rapidly emerging technology globally.[1] EV and charging infrastructure incentives are currently being pursued throughout North America to meet specific policy goals, including greenhouse gas reductions. In the Utilities' view, given the emerging nature of the technology, it is appropriate for the Board to consider not only the experience in Canadian jurisdictions, but North American jurisdictions more broadly.

Utility investment in EV charging infrastructure is common practice throughout North America. The Utilities conducted a survey of North American utility practice that showed 24 jurisdictions have invested in DCFC infrastructure.[2]

Regulators have permitted the recovery of EV infrastructure costs from customers. For example, in June 2021, the Florida Public Service Commission approved Duke Energy Florida's application for EV programs, including 100 utility-owned DCFC stations. All costs associated with the charging stations are captured in the utility's cost of service.[3]

Canadian regulators have also permitted utilities to recover the costs of installing EV charging infrastructure, including a return.

In Prince Edward Island, the Island Regulatory and Appeals Commission approved the recovery of Maritime Electric's cost to install EV charging infrastructure, which has been approved on a pilot basis. The return on this investment is the same rate as the return allowed on all other capital investment.[4]

In British Columbia, legislation enables the recovery of costs associated with EV charging infrastructure.[5] FortisBC currently owns 30 public DCFC stations. The British Columbia Utilities Commission approved the inclusion of these assets in FortisBC's rate

[1] For example, see response to Request for Information CA-NP-060 for a history of EV charger development.
[2] See Newfoundland Power's *2021 Electrification, Conservation and Demand Management Application,* Volume 2, Schedule B.
[3] See Duke Energy Florida, *2021 Settlement Agreement*, January 14, 2021, and Final Order PSC-2021-0202-AS-EI approving 2021 Settlement Agreement.
[4] See Island Regulatory and Appeals Commission, Docket #UE20732, Order UE20-05.
[5] See Province of British Columbia, Order in Council No. 339.

base.[6] FortisBC currently has an application before its commission seeking approval of final rates for its charging stations. The proceeding is ongoing.[7]

BC Hydro has over 90 DCFC stations in operation. As with FortisBC, BC Hydro is allowed to collect sufficient revenue in each fiscal year to enable it to recover its costs incurred with respect to the charging stations. Costs are currently recovered from all ratepayers. In March 2021, BC Hydro filed an application with its commission proposing rates for its charging stations in order to minimize the cost impact on all ratepayers. The proceeding is ongoing.[8]

In June 2018, the National Assembly of Quebec adopted legislation that requires the Régie de l'énergie to consider the revenues required by a utility to operate EV fast charging services. It states that the revenues shall be determined after giving due consideration to the fair value of the assets it considers prudently acquired and useful for the operation of the service, the overall amounts of expenditure it considers necessary for the provision of the service, and the operating revenues collected from the provision of the service.[9]

In the Newfoundland and Labrador context, electrification of the transportation sector is being pursued to support the provincial policy goal of customer rate mitigation. A net present value analysis has confirmed that customer electrification programs, including EV charging infrastructure investments, will provide a rate mitigating benefit for customers over the longer term.[10] This rate mitigating benefit is consistent with the delivery of least-cost, reliable service to customers.[11] It is appropriate for costs consistent with least-cost, reliable service delivery to be recovered from customers.

Additionally, the Utilities are pursuing transportation electrification in a manner that will achieve effective load management.[12] Without load management, transportation electrification will increase costs to customers by approximately $22 million by 2034.[13] This would be inconsistent with the provincial policy goal of customer rate mitigation.

As legislation in other North American jurisdictions enables the recovery of utilities' EV charging infrastructure costs, it is also appropriate in the Newfoundland and Labrador context, where EV charging infrastructure is being pursued to mitigate customers' electricity rates.

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6 See British Columbia Utilities Commission Order G-215-21 with Reasons.

7 See FortisBC *Application for Approval of Rate Design and Rates for Electric Vehicle (EV) Direct Current Fast Charging (DCFC) Service – Revised Application*, September 30, 2020.

8 See *BC Hydro Public Electric Vehicle Fast Charging Service Rates Application,* March 5, 2021.

9 See National Assembly, Bill 184 (2018, chapter 25), *An Act to promote the establishment of a public fast-charging service for electric vehicles.*

10 See Newfoundland Power's *2021 Electrification, Conservation and Demand Management Application,* Volume 1, Exhibit 2, Appendix A.

11 See Section 3(b)(iii) of the *Electrical Power Control Act, 1994.*

12 See response to Request for Information PUB-NP-037.

13 See response to Request for Information PUB-NP-066.

For more information on why EV infrastructure is appropriate for inclusion in the Utilities' portfolio of electrification programs, see response to Request for Information PUB-NP-035.