

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

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

12 Electric Vehicles (“EVs”) are a rapidly emerging technology globally.¹ EV and charging
13 infrastructure incentives are currently being pursued throughout North America to meet specific
14 policy goals, including greenhouse gas reductions. In the Utilities’ view, given the emerging
15 nature of the technology, it is appropriate for the Board of Commissioners of Public Utilities to
16 consider not only the experience in Canadian jurisdictions, but North American jurisdictions
17 more broadly.

18 Utility investment in EV charging infrastructure is common practice throughout North America.
19 The Utilities conducted a survey of North American utility practice that showed 24 utilities have
20 invested in direct current fast charger (“DCFC”) infrastructure.²

21 Regulators have permitted the recovery of EV infrastructure costs from customers. For example,
22 in May 2021, the Florida Public Service Commission approved Duke Energy Florida’s application

¹ For example, see Hydro’s response to CA-NLH-026 regarding EV charger technology development.

² “Application for Approvals Required to Execute Programming Identified in the Electrification, Conservation and Demand Management Plan 2021–2025,” Newfoundland and Labrador Hydro, rev. 1, July 8, 2021 (originally filed June 16, 2021), sch. 3, sch. B.

1 for EV programs, including 100 utility-owned DCFC stations. All costs associated with the
2 charging stations are captured in the utility’s cost of service.³

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

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

9 In British Columbia, legislation enables the recovery of costs associated with EV charging
10 infrastructure.⁵ FortisBC currently owns 30 public DCFC stations. The British Columbia Utilities
11 Commission approved the inclusion of these assets in FortisBC’s rate base.⁶ FortisBC currently
12 has an application before its commission seeking approval of final rates for its charging stations.
13 The proceeding is ongoing.⁷

14 BC Hydro has over 90 DCFC stations in operation. As with FortisBC, BC Hydro is allowed to
15 collect sufficient revenue in each fiscal year to enable it to recover its costs incurred with
16 respect to the charging stations. Costs are currently recovered from all ratepayers. In March
17 2021, BC Hydro filed an application with its commission proposing rates for its charging stations
18 in order to minimize the cost impact on all ratepayers. The proceeding is ongoing.⁸

19 In June 2018, the National Assembly of Quebec adopted legislation that requires the Régie de
20 l’énergie to consider the revenues required by a utility to operate EV fast charging services. It
21 states that the revenues shall be determined after giving due consideration to the fair value of
22 the assets it considers prudently acquired and useful for the operation of the service, the overall

³ Duke Energy Florida, 2021 Settlement Agreement, January 14, 2021, and Final Order PSC-2021-0202-AS-EI approving 2021 Settlement Agreement.

⁴ *Electric Power Act, R.S.P.E.I. 1988*, Order UE20-05, Island Regulatory and Appeals Commission Prince Edward Island, November 4, 2020.

⁵ Province of British Columbia, Order in Council No. 339.

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

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

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

1 amounts of expenditure it considers necessary for the provision of the service, and the
2 operating revenues collected from the provision of the service.⁹

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

10 Additionally, the Utilities’ are pursuing transportation electrification in a manner that will
11 achieve effective load management.¹² Without load management, transportation electrification
12 will materially increase costs to by 2034.¹³ This would be inconsistent with the provincial policy
13 goal of customer rate mitigation.

14 As such, while legislation in other North American jurisdiction enables the recovery of utilities’
15 EV charging infrastructure costs, it is also appropriate in the Newfoundland and Labrador
16 context where EV charging infrastructure is being pursued specifically to mitigate customers’
17 electricity rates.

18 For more information on why EV infrastructure is appropriate for inclusion in the Utilities’
19 portfolio of electrification programs, see Hydro’s response to PUB-NLH-004.

⁹ Bill 184, *An Act to promote the establishment of a public fast-charging service for electric vehicles*, 1st Sess, 41st Leg, Québec, 2018 (assented to June 15, 2018), c 25.

¹⁰ “Application for Approvals Required to Execute Programming Identified in the Electrification, Conservation and Demand Management Plan 2021–2025,” Newfoundland and Labrador Hydro, rev. 1, July 8, 2021 (originally filed June 16, 2021), sch. 1, app. A.

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

¹² Please refer to Hydro’s response to PUB-NLH-006.

¹³ “Application for Approvals Required to Execute Programming Identified in the Electrification, Conservation and Demand Management Plan 2021–2025,” Newfoundland and Labrador Hydro, rev. 1, July 8, 2021 (originally filed June 16, 2021), sch. 3, p. 13, table 1.