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BY EMAIL AND RESS

June 14, 2023

Ms. Nancy Marconi
Registrar
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Marconi,

EB-2023-0071 – Electric Vehicle Integration Initiative – Electric Delivery Rates for Electric Vehicle Charging (Power Advisory report)

On April 13th 2023 the Ontario Energy Board ("OEB") released a consultant report from Power Advisory on Electric Delivery Rates for Electric Vehicle Charging and held a stakeholder session on May 24th 2023.

Hydro One is supportive of this initiative and the OEB's goals of assessing rate design in the context of the energy transition. Hydro One endorses the feedback submitted by of the Coalition of Large Distributors. The purpose of this submission is to provide comment on an additional topic for the OEB's consideration.

Please do not hesitate to contact me directly or Mrs. Melanie Bhandari, Manager of Regulatory Strategy, at Melanie.Torrie@hydroone.com if you have any questions.

Sincerely,

Frank D'Andrea

Hydro One Comments

OEB Electric Vehicle Integration – Electric Delivery Rates for Electric Vehicle Charging

Hydro One is supportive of assisting our customers with the transition to electric vehicles ("EV") and appreciates the opportunity to participate in the OEB's Electric Vehicle Integration initiative. We recognize the need for efficient and fair policy solutions that will enable the integration of EVs into the electricity system. We also support the OEB's review of rate design within the context of this initiative to ensure that the underlying assumptions of current rate design continue to align with sound rate making principles. We are supportive of the submission provided by the Coalition of Large Distributors and wish to provide one additional area of comment. Specifically, Hydro One proposes an alternate solution that may address the issues raised in the report without resorting to premature introduction of new rate design.

For clarity, Hydro One is supportive of a holistic review of rate design at the right time. The proposed solution included in this submission is intended to be a time-limited pilot that can be implemented in the near-term to address the perceived rate design barrier and thus allow time for the utilities, OEB, and government to assess the impact of delivery charges on EV adoption, and to gather the data required to assess if a new rate design is required. Hydro One recommends the OEB further engage with stakeholders and LDCs on the proposed solution to understand the implications for implementation and customer impact prior to making a determination.

<u>Pilot Description – Provide access to General Service under 50 kW class for public and fleet EV charging load:</u>

- On a temporary basis[1] LDCs would bill separately metered commercial EV fleet and public charging (Direct Current Fast Charging) load under the GS<50kW rate class,[2] which renders delivery charges based on consumption (kWh) rather than peak demand (kW). This rate status would be maintained for the customer regardless of their monthly peak demand.
- LDCs would record the distribution revenue difference resulting from maintaining the customer's status in the energy-billed rate class in a variance account (i.e., the difference in distribution revenue

[1] Duration of temporary relief to be determined through OEB and LDC input.
[2] Eligibility criteria, such as maximum peak demand, to be determined through further consultation.

collected under the GS<50kW rates and what would have been collected if the customer was billed under the GS>50kW rates).

- The decision on how to dispose of the variance account can then be considered by the LDCs, OEB, and government depending on the level of subsidy desired (e.g., the variance could be recovered from government funds, through the Global Adjustment, from the LDC's ratepayers, or from the EV charging providers).
- The rate would be implemented by all LDCs and applied to all separately metered commercial EV charging infrastructure (i.e., all public charging customers and commercial customers who choose to separately meter their EV fleet charging).

As all LDCs have the GS<50kW rate class, this pilot proposal would not require creating new rate classes and therefore would be less costly and faster to implement than the rate solutions proposed in the Power Advisory Report at this juncture. As the rate would apply to both public charging and fleets, it is simpler to communicate to customers. Hydro One recognizes that further details of this pilot concept will need to be sorted out prior to implementation, and the concept requires further input from LDCs and the OEB. Hydro One reiterates that this proposed pilot provides faster relief and more time for the LDCs and the OEB gather data and further assess the appropriateness of new rate design options.

Hydro One thanks the OEB in advance for its consideration of this alternative proposal to address the policy issues identified. We welcome the opportunity to further discuss this proposed solution.