



BY EMAIL and RESS

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June 26, 2024
Our File: EB20230071

Attn: Nancy Marconi, Registrar

Dear Ms. Marconi:

Re: EB-2023-0071– Electric Delivery Rates for EV Charging – SEC Comments

We are counsel to the School Energy Coalition (“SEC”). Below are SEC’s comments on the Ontario Energy Board (“OEB”) Staff Discussion Paper: Adjusted Retail Transmission Service Rate for Low Load Factor Electric Vehicle Charging¹ (“Discussion Paper”).

SEC represents Ontario’s public school boards and schools who bring both the perspective of owners (and prospective owners) of Electric Vehicle Chargers (“EVCs”), and customers in the same rate class as EVCs (GS 50 kW to 4,999 kW).

General

SEC is generally supportive of the OEB’s proposal to introduce a discounted adjustment to the Retail Transmission Service Rates (“RTSR”) that apply to EVCs that meet certain criteria as it is grounded in the principle of cost causality. However, SEC does have a few comments on the proposal and its implementation.

Specific Issues

Criteria. OEB Staff has proposed four criteria in order to be eligible for the proposed rate: publicly accessible, a demand between 50 kW and 4,999 kW, load factor of 15% or lower, and separately metered.

With respect to being publicly accessible, the Discussion Paper notes that this “is meant to exclude charging stations that only or primarily serve corporate and/or public sector fleets” and the term “accessible” is meant to indicate that the public can access the charging stations, subject to any requirements, conditions, or restrictions established by the charging station owners (including fees for use, conditions of service, hours of operation and other restrictions on access to sites).²

¹ OEB Staff Discussion Paper Draft Proposal: Adjusted Retail Transmission Service Rate for Low Load Factor Electric Vehicle Charging (EB-2023-0041), May 30, 2024 [[“Discussion Paper”](#)]

² [Discussion Paper](#), p.9

SEC believes that the definition of “publicly accessible” needs to be changed to reflect its true intent, which is simply to exclude EVCs that serve corporate or public sector fleets.

As we understand from the Discussion Paper and the Stakeholder Meeting the OEB intends for employee parking lots, and other places that have restricted access to the generic public, to be eligible. SEC strongly endorses the inclusion of EVCs serving these types of facilities, but they may not be publicly accessible.

The other criteria are reasonable given the identified need to minimize implementation complexity and administrative burden for electricity distributors. SEC does believe that there will be pressure to expand this type of RTSR discount to all other low load factor customers, as they also have a lower contribution to the bulk system coincident peak demand compared to other customers. The OEB will need to address this question at a later stage.

EVC Rate Options. The Discussion Paper proposed three rate design options: Option A with the same discount for all load factors less than 15%, Option B with higher discounts as the load factor increases by steps, up to 15%, and Option C which provides a discount based on kWh. OEB Staff has recommended Option A, primarily as it would be the easiest for distributors to implement. However, Options B and C better represent the impact on the charger on the transmission grid. SEC agrees with the initial implementation of Option A for its ease of implementation and simplicity, but as noted below, the rate will be reviewed after some experience, at which time it could be expanded.

Bill Impacts. The potential bill impacts for participants eligible for the EVC RTSR reduction, range from reductions of 8% to 42% as shown in Table 2 of the Discussion Paper, and could assist in supporting the efficient integration of EVs in Ontario.³ The bill impacts for non-participants, ranging from increases of 0.05% to 0.14% as shown in Table 3 of the Discussion Paper⁴, are not significant in isolation, however, as noted in the Power Advisory EV Delivery Rates Addendum 1: Analysis and Rate Design⁵ (“Power Advisory Addendum 1”), there are several variables that could affect the magnitude of the increase. These include:⁶

- Recovery of the lost revenue due to the participants paying less is to be recovered from all other customers based on the current disposition of the Retail Transmission Network Charge Variance Account (“RSVA 1584”) and the Retail Transmission Connection Charge Variance Account (“RSVA 1586”). Should this disposition proposal change, and the shortfall only be recovered from the GS 50 kW to 4,999 kW class, the impact on those customers would be higher.
- If the discounted rate is broadened to all low load factor customers, the impact on non-participants would increase.
- There are a relatively low number of public Direct Current Fast Charging stations in Ontario today, but as the number of participating chargers increases, the amount of lost revenue to recover will increase, affecting the bill impact.

³ [Discussion Paper](#), p.20

⁴ [Discussion Paper](#), p.20

⁵ Power Advisory: EV Delivery Rates Addendum 1: Analysis and Rate Design, March 25, 2024 ([“Power Advisory Addendum 1”](#))

⁶ [Power Advisory Addendum 1](#), p.1

Changes to any of these parameters would cause the bill impact for non-participants to increase to over 5% in 2035, as shown in Figure 14 in the Power Advisory Addendum 1, in addition to other rate increases.⁷

The Discussion Paper states that non-participants would “see limited bill increases in the near term, following the recovery of any RSTR variances”⁸, implying that once the initial variance has been recovered, there would no longer be an impact. It is not clear in the Discussion Paper how the RSTR for the GS 50 kW to 4,999 kW class will be reset once the discounted EVC rate is in place. SEC’s understanding is that a distributor would update its RTSR as has been done in the past, and participants in the EVC rate program would then be charged based on the discount factor multiplied by the new RTSR rates. In this case there would continue to be variances, which would grow as further chargers are installed, to be recovered from non-participants. OEB Staff needs to provide further details on how the RTSR will be reset by distributors after the initial introduction of the new rate.

RSTR DVAs. One issue the Discussion Paper does not address is the recovery of the RSVA 1584 and RSVA 1586. How will the shortfall be recovered only from non-participants? Normally, the total amount is allocated across the rate classes based on kWh, and then recovered from all customers in that class based on billed kWh or kW. In order to not recover the lost revenue from participants, will there be two RSVA 1584 and two RSVA 1586 riders for the GS 50 kW to 4,999 kW class, one including the shortfall and one not? OEB Staff needs to provide further details.

Review. The Discussion Paper notes “[t]he OEB might initiate a review of the EVC Rate after some experience has been gained with it, likely within several years of its implementation’.”⁹ SEC submits that such a review is essential, given the changing energy landscape and the various assumptions upon which the RTSRs discounted rate is based.

Summary

SEC supports the OEB’s proposal to introduce an EVC rate using the RSTR, however, there are a number of implementation issues that will need to be resolved, and SEC encourages the OEB to ensure that the rate is reviewed, and potential bill impacts for non-participants are monitored.

Yours very truly,
Shepherd Rubenstein P.C.

Mark Rubenstein

cc: Brian McKay, SEC (by email)
Jane Scott, SEC Consultant (by email)

⁷ [Power Advisory Addendum 1](#), p.15

⁸ [Discussion Paper](#), p.2

⁹ [Discussion Paper](#), p.22