



June 27, 2024

**VIA RESS**

Ontario Energy Board  
P.O. Box 2319,  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4  
Attention: Registrar

Dear Ms. Marconi,

**Re: Electric Vehicle Integration**  
**Board File No.: EB-2023-0071**

We are counsel to the Distributed Resource Coalition ("**DRC**") in the Ontario Energy Board's (the "**OEB**" or "**Board**") consultation relating to its Electric Vehicle Integration initiative (the "**EVI Initiative**"). DRC submits these comments in response to OEB Staff's proposal for a new EV charging rate (the "**Proposal**"), which was presented at the OEB's stakeholder meeting on June 13, 2024.

**About DRC**

DRC is a group of electricity customers and consumers, consisting of end-use residential customers, non-profit organizations, and owners' associations. DRC's members are directly affected by and interested in: (i) optimizing existing energy assets; (ii) efficiently facilitating the integration of existing and innovative distributed energy resources ("**DERs**"), including electric vehicles ("**EVs**"), to achieve customer and grid solutions; and (iii) providing input on direct customer needs and local distribution company opportunities relating to EVs. DRC's members for the Review include, subject to further update, the Electric Vehicle Society ("**EVS**") and Plug'n Drive ("**PnD**").

**Overview**

DRC strongly supports the OEB's efforts to promote the widespread and efficient integration of EVs in Ontario. The growing presence of EVs represents an opportunity not only for EV users, but also for the broader system. Achieving the goal of efficient integration of EVs, however, will require approaches that recognize the different needs and energy-usage patterns that EVs introduce.

This consultation correctly recognizes that rates must form a central part of the discussion regarding EV integration, since the most effective approach can only take place on the basis of rates that are fair, representing a proportionate share of the burden that EV consumers place on the broader system. This will necessarily entail changes to existing rate structures, including in

terms of how rates are apportioned, how energy consumers and their distinct usage activities are recognized, and how to address the possibility of bi-directional charging.

DRC supports this consultation's efforts towards these general goals, but it urges the OEB to recognize the Proposal as only a first and partial step, underscoring the need for additional action that addresses the Proposal's shortcomings and weaknesses. The Proposal takes promising steps towards promoting fair rates for EV consumers and in its recognition of the distinct energy profiles of EV charging stations, but DRC believes that further consultations and studies should take place as soon as possible towards addressing the shortcomings that DRC addresses in this submission.

In particular, DRC submits that the Proposal suffers from a general failure to prioritize affordability and accessibility from the perspective of EV owners, as opposed to EV charging stations. The following items should therefore be addressed as soon as reasonably possible:

1. The Proposal provides no evaluation or study on its likely economic impact for EV owners. The OEB at a minimum should undertake an evaluation as to the impact that any proposed changes will have on the price that EV consumers will pay at public charging stations, as well as any impact on the availability of public EV chargers, including in more rural or remote areas of the province.
2. The OEB should also re-consider an approach that requires the creation of a new EV-specific rate class, similar to the approach that Quebec has adopted. Doing so will provide the OEB with an increased ability to ensure that rate savings are appropriately passed down to EV users, instead of retained exclusively or in large part by owners of EV charging stations. The creation of a new rate class would also provide the opportunity to address distribution costs as part of the rate re-design.

DRC elaborates on each of these recommendations in the sections below.

### **Further Study of the Impact on EV Owners is Necessary**

Effective EV integration should aim to provide individual EV owners with access to affordable, reliable, and readily-available EV chargers. Accordingly, the success of efforts in support of EV integration should be judged primarily according to the experience of EV owners.

The OEB should resist any temptation to place its primary focus on the experience of owners or operators of EV charging stations, except to the extent that supports for charging stations will lead to demonstrable improvements for EV owners. Analysis of the consequences on EV charging stations may constitute an important first step, but the consequences for EV owners as the ultimate consumers must also be examined and understood before an evaluation should be considered adequate and complete.

The Proposal fails to present any analysis concerning its likely economic impact for EV owners. Instead, it places its entire focus on the cost consequences for EV charging stations. It may be that, following implementation, the Proposal could produce cost savings that would be passed along from EV charging stations to EV owners. In the absence of any analysis, however, it is impossible to do more than speculate on the impact for EV owners in terms of affordability or accessibility.

The OEB at a minimum and as soon as reasonably possible should undertake an evaluation as to the impact that any proposed changes will have on the price that EV consumers will pay at public charging stations, as well as any impact on the availability of public EV chargers, including in more rural or remote areas of the province. Such an analysis would not supersede the Proposal's existing analysis; instead, this additional analysis would supplement and complete the existing analysis and conclusions that Power Advisory has provided.

### **The OEB Should Require the Creation of a New Rate Class Specific to EVs**

The OEB should similarly ensure that the re-design of rates to facilitate EV integration should prioritize fairness and affordability for EV owners, as opposed to the Proposal's current focus on the effects for EV charging stations.

DRC's view is that the creation of a new EV-specific rate class offers a better opportunity to promote fair and affordable for EV owners. Power Advisory's 2023 report, produced for the purposes of this consultation, notes many of the advantages that a separate rate class would provide in terms of precision, direct allocation, transparency, the elimination of intra-class cross-subsidization, and increased customer understanding:

TOU demand charges and low load factor rates can be implemented as one or two distinct rate classes, or as modifications to the existing general service rate classifications. Introducing new rate classes in the OEB's cost allocation methodology can allow for a more precise allocation of costs to public DCFCs and commercial EV fleets, including directly allocated costs. This would provide transparency of the costs allocated to EV charging customers and effectively remove intra-class cross-subsidization. Introducing new rate schedules would make rates easier to understand for customers, especially if other charges on the tariff sheet such as RTSRs and low voltage charges differ between EV and non-EV customers....<sup>1</sup>

This additional precision, flexibility and transparency would provide the OEB with an increased ability to ensure that rate savings are appropriately passed down to EV users, instead of retained exclusively or in large part by owners of EV charging stations.

A new rate class would also offer the following advantages, each of which providing a significant contribution to rate fairness for EV owners:

- It would provide the opportunity to address distribution costs as part of the rate re-design, which is currently outside of the scope of the Proposal.
- It would provide the opportunity to incorporate a Time-of-Use demand charge, which better accommodates the ability of many EV owners to charge their vehicles during off-peak periods.
- It would allow for the incorporation and reflection of EVs as an energy source.

Quebec provides a good example of a jurisdiction that has implemented a rate class specific to EVs, as noted in the consultation materials. DRC would support efforts to introduce a similar approach in Ontario, including the requirement that a customer must agree to provide Hydro-Québec with non-identifying data from charging stations, and its flexible approach whereby up to

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<sup>1</sup> Power Advisory, "Electric Delivery Rates for Electric Vehicle Charging", April 13, 2023, page 50.

10 kW of demand may be incurred on the account for additional or ancillary purposes such as lighting.

**Concluding Remarks**

We would be pleased to discuss any of these issues with you at your convenience. We thank you for your consideration and your efforts on this important initiative.

Sincerely,

A handwritten signature in black ink, appearing to read 'Nick Daube', with a stylized, cursive script.

Nicholas Daube, Counsel for DRC

c. Devin Arthur, EVS  
Cara Clairman, PnD