

June 17, 2024

Attn: Registrar of the Ontario Energy Board

Via email: registrar@oeb.ca

RE: File number EB-2023-0071

OEB Consultation on Adjusted RTSRs for Low Load Factor EV Charging

Tesla appreciates the opportunity to provide feedback on the OEB's proposed Electric Vehicle Charger Discount Electricity Rate (EVC Rate).

Most of today's electricity rate structures were not designed with EVs in mind, much less the direct-current fast charging (DCFC) needed to support long-distance highway travel or heavy-duty electric fleets, including freight trucks, transit vehicles and school buses. Legacy rate structures also do not reflect the load characteristics or overall benefits that EVs can offer the grid, when managed effectively, and need to be unwound and more effectively adapted to reflect these new customers. This is especially true when it comes to fast charging, which is subject to demand charges and typically has lower utilization during the early stages of EV adoption. When fast chargers are used less frequently, demand charges can make up a significant portion of electric utility and operating costs.¹ Lower utilization means less revenue to offset these costs creating a disincentive for deployment of charging infrastructure, especially in rural and remote locations where demand charges can directly result in sites operating at a loss.

The proposed EVC Rate can solve part of those issues, but would benefit from certain adjustments to address all of the main concerns expressed by the EV charging industry and EV charging consumers.

1. EVC Rate design: What are your thoughts on the three EVC Rate design options?

Tesla is supportive of all three rate design options presented.

**2. Eligibility requirement 3:
What do you think of the proposed approach in which distributors would apply their existing procedures for dealing with participants whose monthly load factors occasionally exceed 15%?**

Tesla recommends a 20% load factor cutoff. We believe establishing a cutoff at 15% would likely require a revision in the short term, so we recommend setting a threshold at 20% to avoid EVC rate amendments in the short-term. We also note that in the [OEB Report Addendum 1: Analysis and Rate Design Report](#), the recommendation for the load factor cutoff was 25 percent, or a 60 percent decrease compared to the OEB's draft recommendation.

¹ Power Advisory (2023) Electric Delivery Rates for Electric Vehicle Charging, page 16:
<https://www.rds.oeb.ca/CMWebDrawer/Record/785404/File/document>

With respect to how load factors are calculated for EVC Rate eligibility, transparency and clarity are very important. Tesla recommends a standardized approach across the province, rather than individual approaches developed by each distributor. We recommend using an average annual load factor, whereby any new station obtains eligibility for its first 12 months in operation, and is then assessed for eligibility based on its load.²

3. Eligibility requirement 2:

Should charging stations be required to provide service to all EV models to be eligible for the EVC Rate? Why?

- a. Tesla recommends including fleet charging within the scope of rate eligibility. This issue is equally important for fleet owners and operators and could have a substantial impact on medium and heavy duty ZEV adoption at the early deployment stages, during which load factors for charging stations are likely to be very low.
- a. Tesla urges the OEB to not limit eligibility to stations that serve all EV models. Charging connector standards are evolving rapidly, with the ongoing adoption of the North America Charging Standard by virtually all OEMs that deploy light-duty ZEVs in North America. Furthermore, EV Charging Network operators may be targeting different markets (for instance, LDV versus MDV, HDV) and various network operators on any given site offer complementary charging services to different vehicle models and customers.

4. Eligibility requirement 4:

Is the set of eligible auxiliary loads identified in the discussion paper appropriate? Are there others that you'd recommend?

Tesla recommends setting an energy limit of 10% of charging station load, rather than specific uses, as it's difficult to predict what ancillary services will be needed at every site, in every scenario in the future.

5. Other general comments:

a. Implementation timeline:

Tesla recommends implementing the new rate by January 1, 2026, rather than in January 1, 2026. Both formulations were used in the proposal documents. *By* January 1, 2026 would allow LDCs to implement the new rate earlier, when they are ready and willing to do so.

b. Review period:

To create market certainty and successfully encourage the deployment of charging infrastructure, Tesla does not recommend setting an end date for the proposed EVC Rate. We recommend performing a review of the EVC Rate in 5 years.

We thank the OEB again for its ongoing support of the EV industry, including its efforts to develop and implement Electric Vehicle Charging Connection Procedures (EVCCP). Tesla

² Massachusetts – see *National Grid Demand Charge Alternative Fact Sheet* [here](#)

will continue to do its part to increase deployment of charging infrastructure to meet Ontario's policy goals, targets and expectations, and support a strong end consumer experience in all regions of Ontario.

Please do not hesitate to contact us if you would like to meet or have any questions about the above information.

Sincerely,

A handwritten signature in black ink, reading "Audrey Dépault". The signature is fluid and cursive, with the first name "Audrey" and last name "Dépault" clearly distinguishable.

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