



**THE ISLAND REGULATORY AND
APPEALS COMMISSION**
Prince Edward Island
Île-du-Prince-Édouard
CANADA

Docket: UE20732
Order: UE20-05

IN THE MATTER of an application by Maritime Electric Company, Limited for an order of the Island Regulatory and Appeals Commission approving the 2020 Annual Capital Budget, pursuant to section 17(1) of the *Electric Power Act*, R.S.P.E.I. 1988, Cap. E-4, and for certain approvals incidental thereto;

AND IN THE MATTER of a Supplemental Budget Request filed by Maritime Electric Company, Limited for an order approving certain 2020 capital expenditures related to electric vehicle charging stations.

BEFORE THE COMMISSION ON
Wednesday, the 4th day of November, 2020.

J. Scott MacKenzie, Q.C., Chair
M. Douglas Clow, Vice-Chair
Erin T. Mitchell, Commissioner

CERTIFIED A TRUE COPY

Cheryl Mosher

Cheryl Mosher,
Senior Financial Advisor
Island Regulatory & Appeals Commission

Order

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AND IN THE MATTER of a Supplemental Budget Request filed by Maritime Electric Company, Limited for an order approving certain 2020 capital expenditures related to electric vehicle charging stations.

Order

1. On or about August 23, 2019, Maritime Electric Company, Limited (“Maritime Electric” or the “Company”) filed an application with the Island Regulatory and Appeals Commission (the “Commission”) pursuant to section 17(1) of the *Electric Power Act*, R.S.P.E.I. 1988, Cap. E-4 (the “Act”) seeking approval of Maritime Electric’s 2020 Annual Capital Budget (the “2020 Capital Budget”).
2. The 2020 Capital Budget was approved by Commission Order UE19-09, dated December 9, 2019.
3. On or about June 30, 2020, Maritime Electric filed a supplemental budget request with the Commission seeking approval of a new budget category 5.9 for capital additions associated with the installation of electric vehicle (“EV”) charging stations (the “Supplemental Budget Request”).
4. Maritime Electric has advised that the Supplemental Budget Request is necessary as Maritime Electric did not know or anticipate that it was eligible to participate in the Natural Resources Canada’s (“NRCan”) Zero Emission Vehicle Infrastructure Program at the time that the 2020 Capital Budget was filed.

5. Subject to Commission approval, Maritime Electric intends to partner with NRCan, the Province of PEI, and the municipalities of Alberton, Charlottetown, Cornwall, Miltonvale Park, Morell, Resort Municipality of Cavendish, Stratford, St. Peters Bay and Three Rivers (collectively, the "Municipalities") to install 50 publicly accessible Level 2 EV charging stations at 26 different locations across Prince Edward Island (the "Project").
6. Maritime Electric has calculated the total capital expenditures for the Project to be \$566,493.
7. Maritime Electric has entered into funding agreements with NRCan, the Province of PEI, and the Municipalities to share the capital costs of the Project as follows:

Table IR-16 – Breakdown of Funding		
Partner	Percentage of Funding up to \$10,000 per Charger	Percentage of Funding for all costs above the \$10,000 threshold
NRCan	50%	0%
MECL	25%	25%
Province of PEI	12.5%	0%
Municipalities	12.5%	75%

8. As a result of these funding agreements, Maritime Electric's total capital contribution to the Project will be \$146,822, with the balance of the capital costs \$419,671 being paid by NRCan, the Province of PEI and the Municipalities.
9. If the Project is approved, Maritime Electric will own, operate and maintain the installed EV charging stations.
10. The Municipalities will be responsible to maintain the site (general upkeep including painting, grass cutting, snow removal, etc.) and will pay Maritime Electric for the cost of the electricity delivered through the chargers.

11. The Commission issued interrogatories to Maritime Electric on August 11, 2020 with respect to the Project and the Supplemental Budget Request.
12. Maritime Electric filed responses to the interrogatories on September 23, 2020.
13. Through the interrogatory process, the Commission raised concerns with Maritime Electric's ownership of EV charging stations, including competition with private entities, perceived inconsistencies with Maritime Electric's mandate under the *Electric Power Act*, and Maritime Electric's proposal to own assets behind the meter.
14. Notwithstanding these concerns, the Commission is prepared to approve the Supplemental Budget Request due, in part, to the significant cost savings achieved through the various funding agreements.
15. The Commission also accepts that Maritime Electric will gain valuable information from the Project regarding the load impact of EVs, and that this information will assist Maritime Electric's transmission and distribution planning as EV ownership in the Province is expected to increase.
16. The Commission confirms the approval of this Supplemental Budget Request, and the resulting ownership of EV charging stations by Maritime Electric, does not set a precedent for future ownership of behind the meter assets or for future ownership of EV charging stations by Maritime Electric.
17. Instead, the Project is being approved as a pilot project only. To be clear, the Commission is approving ownership of behind the meter assets solely for the purpose of this pilot project. The Commission will be vigilant to ensure that Maritime Electric is not able to use its monopoly in a way that disadvantages other participants in the EV market.

NOW THEREFORE, pursuant to section 17 of the *Act*, the Commission Orders as follows:

1. The Supplemental Budget Request for 2020 capital expenditures related to the Project is hereby approved. The 2020 Capital Budget, as approved in Order UE19-09, shall therefore be revised as follows:

Table 13			
Capital Budget for Electric Vehicle Charger Project			
Item	Total Project Costs	Customer Contributions	MECL Capital Expenditure
5.9 – Electric Vehicle Charger Project	\$566,493	\$419,671	\$146,822

2. A summary of the revised 2020 annual capital expenditures is therefore as follows:

Expenditure	Amount Approved in Order UE19-09	Revised Amount Approved in Order UE20-05
Generation	\$767,000	\$767,000
Distribution	\$21,609,000	\$27,885,493
Transmission	\$9,214,000	\$9,214,000
Corporate	\$1,956,000	\$1,956,000
Capitalized General Expense	\$557,000	\$557,000
Interest During Construction	\$563,000	\$563,000
Less: Customer Contributions	(\$400,000)	(\$2,819,671)
Net Capital Expenditures	\$34,266,000	\$38,122,822

3. The approval of this Supplemental Budget Request, and the resulting ownership of EV charging stations by Maritime Electric, does not set a precedent for future ownership of

behind the meter assets or for future ownership of EV charging stations by Maritime Electric.

4. Maritime Electric shall provide to the Prince Edward Island Energy Corporation and/or efficiencyPEI any information reasonably requested in relation to the Project, including (without limitation) information regarding usage of the EV charging stations, revenues, operating expenses, and the impact (if any) on system load and/or peak demand.
5. In the event the expenditures related to the Project vary by plus or minus \$100,000.00 from the amounts approved herein, Maritime Electric shall be required to seek Commission approval for the variance forthwith.

DATED at Charlottetown, Prince Edward Island, this 4th day of November, 2020.

BY THE COMMISSION:

(sgd) J. Scott MacKenzie

J. Scott MacKenzie, Q.C., Chair

(sgd) M. Douglas Clow

M. Douglas Clow, Vice-Chair

(sgd) Erin T. Mitchell

Erin T. Mitchell, Commissioner

NOTICE

Section 12 of the *Island Regulatory and Appeals Commission Act* reads as follows:

12. The Commission may, in its absolute discretion, review, rescind or vary any order or decision made by it, or rehear any application before deciding it.

Parties to this proceeding seeking a review of the Commission's decision or order in this matter may do so by filing with the Commission, at the earliest date, a written Request for Review, which clearly states the reasons for the review and the nature of the relief sought.

Sections 13(1), 13(2), 13(3), and 13(4) of the *Act* provide as follows:

13(1) An appeal lies from a decision or order of the Commission to the Court of Appeal upon a question of law or jurisdiction.

(2) The appeal shall be made by filing a notice of appeal in the Court of Appeal within twenty days after the decision or order appealed from and the rules of court respecting appeals apply with the necessary changes.

(3) The Commission shall be deemed to be a party to the appeal.

(4) No costs shall be payable by any party to an appeal under this section unless the Court of Appeal, in its discretion, for special reasons, so orders.

NOTE: In accordance with IRAC's *Records Retention and Disposition Schedule*, the material contained in the official file regarding this matter will be retained by the Commission for a period of 5 years.