



How Stratas Can Get Low Carbon Fuel Credits for EV Charging



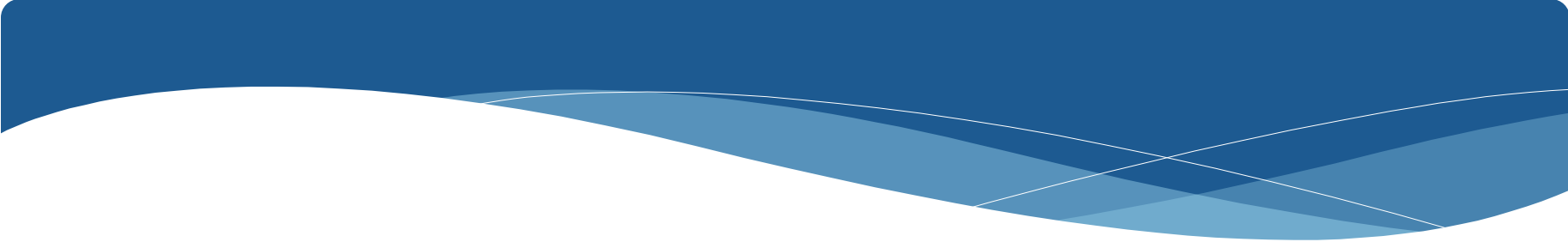
Welcome



Agenda

- The Low Carbon Fuel Standard
- Eligibility for low carbon fuel credits
- How credits benefit stratas
- Reporting and receiving credits
- Working with a third party
- Without a third party / TFRS account
- What can the strata do with the money?

The Low Carbon Fuel Standard



One of the objectives of the Ministry of Energy
Mines and Low Carbon Innovation is to
deliver programs and incentives that encourage
British Columbians to choose

- greener homes
- buildings
- and **transportation**



Reduce carbon-intensity of transportation fuels



Low Carbon Fuels Act

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Low Carbon Fuels (General) Regulation

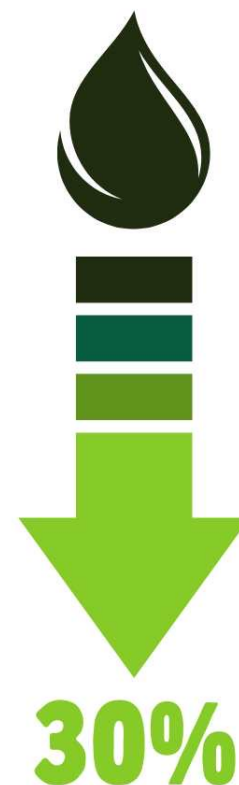
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Low Carbon Fuels (Technical) Regulation

**= Low Carbon Fuel Standard
(LCFS)**

The LCFS sets out

- Requirements for suppliers of diesel and gasoline to reduce the average carbon intensity of their fuels annually to achieve a 30% reduction by 2030
- Fuel supplier reporting requirements and penalties



The LCFS sets out

- Eligibility for credits
- How credits are calculated
- Requirements for reporting traded credits

**LOW
CARBON
FUEL
CREDITS**

Eligibility for Low Carbon Fuel Credits



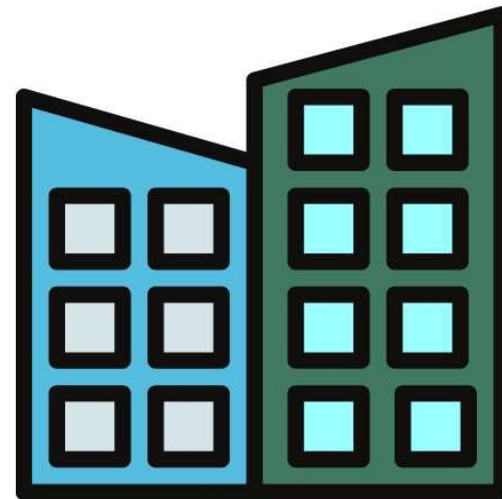
To be eligible for low carbon fuel credits, a strata must pass 3 tests

- Supplies the electricity to Final Supply Equipment (aka charging station)
- Electricity can be measured accurately
- The building has 5 or more dwelling units

Test 1: Who supplies the electricity?

The strata is supplying the electricity to the Final Supply Equipment if:

- The utility bills the strata corporation
- The electricity is a common expense (paid from the strata's operating fund)



Test 2: Can the electricity be measured accurately?

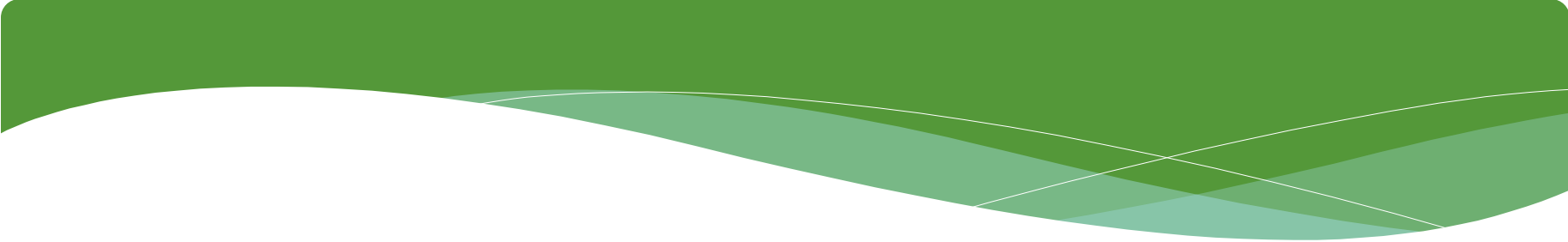
Must have a system to ensure an accurate and reliable measurement of the quantity of electricity provided to all FSE.

For example:

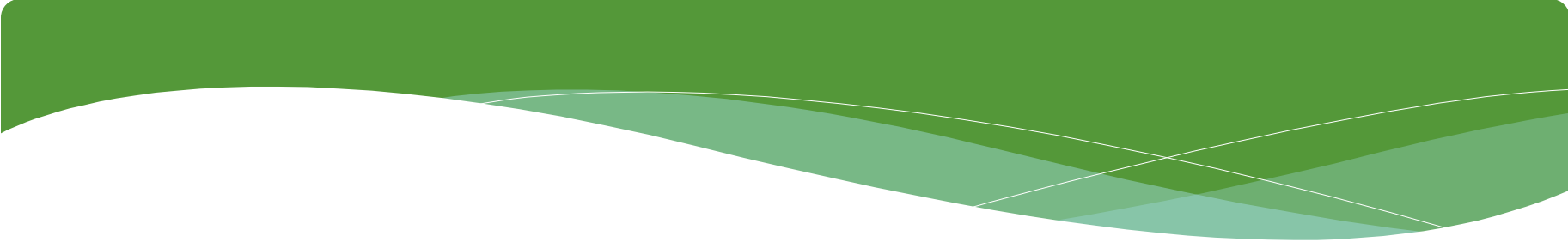
- BC Hydro or revenue grade meter
- Data from a charging station or networked system

Test 3: Does the building have 5 or more dwelling units?





Credits are not available for stratas that
have EV charging that takes place at any
residential building that contains
fewer than 5 dwelling units



For EV charging that takes place at any
residential building that contains

5 or more dwelling units

the strata is the fuel supplier

if it passed all 3 tests

How Low Carbon Fuel Credits can benefit stratas

Benefits

- A new source of revenue
 - Helps pay common expenses (operating budget)
- Increased support from owners for EV charging
 - Be prepared for the future
 - Maintain property value



- How many credits can a strata get?
- What's the value of a credit?

Average driver in BC

- Consumes about 2,300 kWh / year
- Depends on driving habits
- About 1,000 kWh = 1 credit
- About 2 credits per driver,
per year,
if all charging done at strata

2
credits

Credit Market

- Average trading price in 2023
- Min \$200, Max \$510
- Average transactions in 2023 were 3,000 to 10,000 credits

\$472



Example 10 drivers:

20 credits

X average trading price

= \$9,440

Reporting and receiving credits



To get money from LCF credits

Two main steps:

- Submit a compliance report to get credits
- Monetize credits by trading on the credit market

Reporting

- Compliance report required each year
- Report the total amount of electricity supplied to charging stations (FSE)
- Compliance period is Jan 1 to Dec 31
- Compliance report **due by March 31** of the following year



Do stratas have to report?

- If strata supplied 15,000 kWh **or less** in the compliance period, the strata does not submit a compliance report
- Strata **may allocate responsibility** for reporting to a third party, if strata wants credits

Do stratas have to report?

- Mandatory if strata supplies **more than** 15,000 kWh of electricity to charging stations (FSE) in one compliance period
 - Must report or allocate responsibility for reporting
 - Failure to report subject to administrative penalties
- Must report to be eligible for credits

Submitting a report (> 15,000 kWh)

If strata supplied more than 15,000 kWh in the compliance period it can either

- Allocate responsibility to a third party, or
- Report using the Transportation Fuels Reporting System (TFRS)

Working with a third party: allocation agreements

Third party (aka aggregator)

- Enters into allocation agreements with stratas
- Pools the amount of electricity their clients supplied to charging stations
- Submits a report for > 15,000 kWh
- Receives credits from the Ministry of Energy, Mines and Low Carbon Innovation

Then

- Negotiates sale of credits with a purchaser
- Records the sale with the Ministry and transfers the credits to the purchaser
- Pays the proceeds to their clients based on each allocation agreement

What is an Allocation Agreement?

- Agreement between fuel supplier (such as a strata) and a third party (person or company)
- Makes the third party responsible for strata's legal obligations under the Low Carbon Fuel Standard
- Third party takes on risk of administrative penalties for non-compliance with law

Requirements for agreements

The regulations set out certain requirements for allocation agreements including

- Contact information for each party to the agreement
- Details about each charging station (FSE)
- A specified term of no more than 3 years

Requirements for agreements

- Requirement to inform supplier (strata) of
 - Number of credits issued by Ministry and
 - The fair market value on the date of issuance



Without a third party: TFRS account and trading



Option for Suppliers > 15,000 kWh

If strata supplied more than 15,000 kWh in the compliance period it can either

- Report using the Transportation Fuel Reporting System, or
- Allocate responsibility to a third party

TFRS Account

A strata that has a Transportation Fuel Reporting System (TFRS) account can

- Submit a compliance report each year
- Receive credits from the Ministry
- Record the sale of credits
- Transfer credits to the purchaser



TFRS is **not** a system for monetizing credits.

The strata has to find a purchaser, sell the credits, and then record the sale in TFRS.

The average transaction with a purchaser is
3,000 to 10,000 credits.

3 Steps to get a TFRS Account

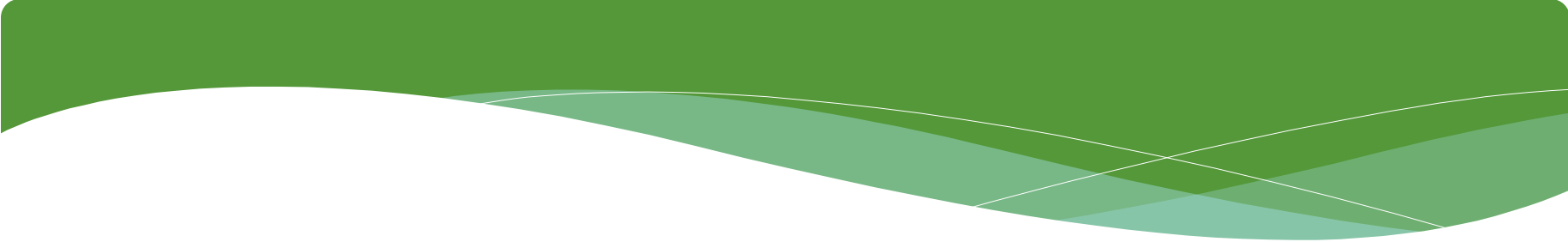
- Get a Business BCeID account for the strata corporation
- Submit a TFRS registration form A
- Register each charging station (FSE) with the Ministry



Forms and User Guides

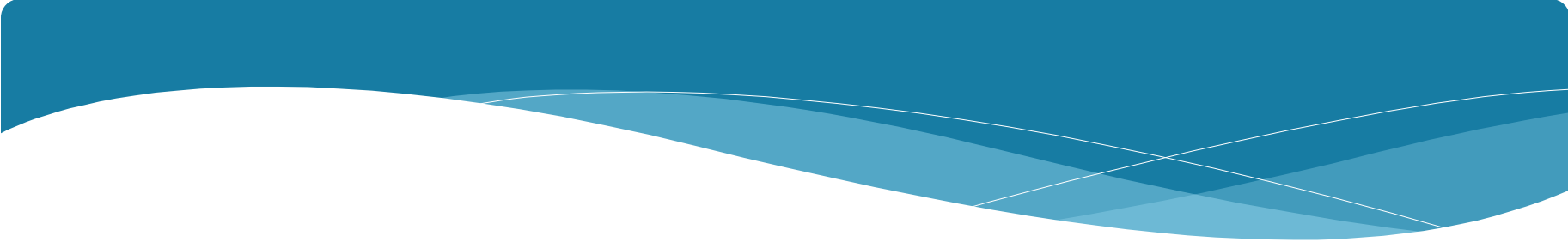
The Ministry's Renewable & Low Carbon Fuel web page includes

- A FSE Identification Form
- User guide to set up a Business BCeID account
- TFRS registration form
- TFRS user guide



Strata corporations that have entered into
an allocation agreement with a third party
do not need a Business BCeID account
or a TFRS account.

What can the strata do with the money?



Money received from trading the strata's
low carbon fuel credits belongs to the
strata corporation.

It's revenue for the operating fund just like:

- Interest and fines
- Renting parking stall
- Selling keys and fobs

Strata Operating Expenses

Revenue in the operating fund helps pay for common expenses such as:

- Insurance
- Utilities
- Contracts for strata management, landscaping, waste removal, elevators, janitorial

Annual Budget

When preparing the budget for approval at the AGM for a year when the strata expects to receive money from the sale of low carbon fuel credits

- Include estimated revenue from selling credits
- Any operating surplus or deficit at the end of the fiscal year is dealt with under *Strata Property Act* s. 105

Next steps



Learn more

BC Government: tinyurl.com/LowCarbonFuelCredits

VISOA: www.visoa.bc.ca



Contact

Low Carbon Fuels Branch: lcfs@gov.bc.ca

VISOA: EVcharging@visoa.bc.ca

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Thank you for attending today's webinar.

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