

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for limited proceeding to approve 2017 second revised and restated settlement agreement, including certain rate adjustments, by Duke Energy Florida, LLC.

DOCKET NO. 20170183-EI
ORDER NO. PSC-2019-0264-PAA-EI
ISSUED: July 1, 2019

The following Commissioners participated in the disposition of this matter:

ART GRAHAM, Chairman
JULIE I. BROWN
DONALD J. POLMANN
GARY F. CLARK
ANDREW GILES FAY

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING REALLOCATION OF ELECTRIC VEHICLE
CHARGING STATION PILOT PROGRAM SEGMENTS

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

Background

Duke Energy Florida, LLC (DEF or the Company) filed its Motion to Approve Re-allocation of Electric Vehicle Charging Station Pilot Segments (Motion) on April 17, 2019. In its Motion, DEF requests a change in the required allocation of Electric Vehicle Service Equipment (EVSE, “ports,” or “charging stations”) to the four customer locations, or segments, identified in its 2017 Second Revised and Restated Settlement Agreement (2017 Settlement).¹ The 2017 Settlement specified an EVSE allocation to four different customer segments: Multi-unit dwellings (Multi-unit), Workplaces, “Long dwell time” public locations (Public L2), and DC Fast Charging Depots (DCFC).² The 2017 Settlement, among other things, established a five-year EVSE pilot program wherein DEF is authorized to purchase, install, own, and support 530 charging stations in its service territory during the term of the 2017 Settlement (through 2021). The maximum capital outlay for this program was set at \$8.0 million, along with reasonable

¹ Order No. PSC-2017-0451-AS-EU, issued November 20, 2017, in Docket No. 20170183-EI, *In re: Application for limited proceeding to approve 2017 second revised and restated settlement agreement, including certain rate adjustments, by Duke Energy Florida, LLC.*

² Docket No. 20170183-EI, Document No. 09507-2017, Exhibit 2, BS 182.

operation and maintenance expense, to be deferred to a regulatory asset and collected during a period initiating after the term of the 2017 Settlement. In addition, the 2017 Settlement required ten percent of the charging stations must be installed in low income communities. The 2017 Settlement also contemplated a shift in program expenditures from a segment for which the Company is unable to find willing host sites to other segments or even new segments, as approved in advance by this Commission.

In its Motion, DEF maintains that it has become necessary to reallocate a portion of proposed EVSE away from Multi-unit to the other segments due to the significant challenge it has experienced in meeting the minimum number of EVSE for that segment to date. Towards that end, the Company proposes revised allocations at this time, as well as further reallocations at the end of 2019 to other segments, as necessary, of any revised Multi-unit EVSE assignments not subscribed.

DEF states in its Motion that it has conferred with the signatories to the 2017 Settlement and represents that the Office of Public Counsel, Florida Retail Federation, and Southern Alliance for Clean Energy have no objection to the Motion, while White Springs Agricultural Chemicals Inc. d/b/a PCS Phosphate - White Springs and the Florida Industrial Power Users Group take no position on the Motion.

We have jurisdiction over this matter pursuant to Sections 366.05 and 366.06, Florida Statutes.

Decision

DEF's Motion

In its Motion, DEF explains that its goal is to have as many installations of the targeted 530 EVSE as possible completed by the end of 2019 in order to maximize the information it gathers during the pilot program. However, DEF has been unable to meet its subscription goals set forth in the 2017 Settlement for Multi-unit EVSE. DEF offers two reasons for this deficit of Multi-unit EVSE subscriptions, including limited available parking spaces at apartment complexes and condominiums and lengthy lead times to conclude site host agreements. Table 1 shows the pertinent data regarding the original and requested allocations, ports subscribed, ports installed, and further reallocation of Multi-unit EVSE by percentage range at the end of 2019, if needed.

Table 1
EVSE by Segments

<u>Segment</u>	<u>Multi-unit</u>	<u>Workplace</u>	<u>Public L2</u>	<u>DCFC</u>	<u>Total</u>
Original Allocation (11/2017)	325	100	75	30	530
Ports Subscribed (4/2019)	62	73	76	14	225
Percent Subscribed (4/2019)	19%	73%	101%	47%	42%
Ports Installed (4/2019)	23	31	32	4	90
Revised Allocation (4/2019)	210	140	130	50	530
Segment Percentage Range Target for Reallocation of Multi-unit Ports (if needed - 12/2019)		20-50%	20-50%	10-30%	

Sources: Motion, DEF's response to Staff's First Data Request, No. 11 (ports installed).

DEF maintains that it is significantly behind in its Multi-unit EVSE subscriptions and the Company makes its request for reallocation on that basis. If, by December 31, 2019, DEF's number of subscribed Multi-unit EVSE is less than its revised goal (210 EVSE), DEF also requests that it be allowed to reallocate any remaining unsubscribed Multi-unit EVSE to other segments in the percentages shown in Table 1. In response to a data request issued by our staff, DEF stated that meeting even the revised numeric goal appears unlikely given current trends year-to-date.

Review

We find that the current Multi-unit EVSE subscription data, at just 19 percent of the goal, and the other segments' subscription data, ranging from 47 percent to 101 percent of the goal, provides strong support for a significant reallocation of Multi-unit EVSE to the other segments. Given DEF's assessment that it is unlikely to meet its revised Multi-unit EVSE goal by year-end 2019, it is thus likely that a further redeployment of the unsubscribed ports to other market segments, per the percentage reallocation method quantified in Table 1, will be required at the end of 2019. In this regard, we believe the revised allocations may be considered a stretch goal for the Company, augmented by a safety mechanism that can be activated at year's end.

We reviewed the other EVSE-related requirements of the 2017 Settlement to ensure that the Company's reallocation strategy, if approved, would be consistent with the 2017 Settlement. First, the Company states in its Motion that the reallocation process may be needed to meet the low income requirement. With 23 of 221 ports subscribed located in low income communities, DEF is currently on track to meet the 10 percent low income requirement, but all such subscribed low income community ports are located in the Public L2 segment. This is a clear indication that the reallocation strategy by DEF is necessary to support the low income EVSE target contained in the 2017 Settlement.

We also considered whether the revised allocation or year-end redeployment scenario would potentially result in DEF incurring higher capital costs than the 2017 Settlement's investment cap of \$8.0 million. DEF reports that the projected total capital costs for the program under the proposed pilot program reallocation is approximately \$4.6 million, plus or minus a 10 percent variance due to potential upgrades (i.e. transformer upgrade, panel upgrade, etc.).³ This is somewhat higher than DEF's projected total capital costs under the current allocation, which is about \$3.8 million, due primarily to the higher per unit capital costs associated with the DCFC segment. The EVSE per unit costs for Public L2 and Workplace segments is in line with the per unit costs of Multi-unit. As such, it appears that a reallocation of EVSE as contemplated, even under the year-end redeployment scenario, is not likely to cause the Company to exceed the 2017 Settlement's \$8.0 million EVSE investment cap.

Conclusion

We believe that DEF's proposed reallocation strategy is necessary in order for it to maintain the 2017 Settlement's minimum 530 EVSE subscription target. The strategy works in conjunction with other requirements of the 2017 Settlement, such as the low income EVSE percentage requirement and the EVSE \$8.0 million maximum investment cap. Furthermore, the reallocation increases the likelihood that the Company will be able to collect sufficient EVSE deployment data by the end of the pilot program to allow consideration of the merits of a permanent program. Per the 2017 Settlement, a permanent program may be requested by the Company at the conclusion of the pilot program. We, therefore, approve DEF's Motion as filed.

We further find that DEF shall take certain actions to ensure that this Commission and the parties to the 2017 Settlement remain apprised of developments in the Company's EVSE reallocations, actual subscriptions, and installations. DEF's annual data report regarding its Electric Vehicle Charging Station Pilot Program provides an excellent vehicle in which DEF could report the results of the EVSE reallocations and, if needed, identify further reallocations. In the event DEF has fewer than 210 Multi-unit EVSE subscriptions by December 31, 2019, DEF shall augment its 2019 annual data report to this Commission to include any further reallocation of unsubscribed Multi-unit EVSE to other segments. In the event of further reallocations, we find that it shall be appropriate for DEF to delay its filing of its 2019 annual data report until January 31, 2020, in order to supplement its filing accordingly. Additionally, our staff will apprise us of any further reallocations that do not comport with the segment percentage range targets proposed by the Company as shown in Table 1.

³ DEF's response to Staff's Second Data Request, Nos. 1 and 2.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Duke Energy Florida, LLC's Motion to Approve Re-allocation of Electric Vehicle Charging Station Pilot Segments is hereby approved as set forth above. It is further

ORDERED that in the event Duke Energy Florida, LLC has fewer than 210 Multi-unit dwelling Electric Vehicle Service Equipment subscriptions by December 31, 2019, Duke Energy Florida, LLC shall augment its 2019 annual data report to this Commission to include any further reallocation of unsubscribed Multi-unit dwelling Electric Vehicle Service Equipment to other segments. In the event of further reallocations, we find that it shall be appropriate for Duke Energy Florida, LLC to delay its filing of its 2019 annual data report until January 31, 2020, in order to supplement its filing accordingly. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that this docket shall be closed upon the issuance of a Consummating Order unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the proposed agency action.

By ORDER of the Florida Public Service Commission this 1st day of July, 2019.



ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

MAD

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on July 22, 2019.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.