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Adria Harper
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UNDOCKETED – OPC POST-WORKSHOP COMMENTS FOR EV WORKSHOP/SB 7018

Dear Ms. Harper:

On September 2, 2020, the Florida Public Service Commission (Commission) sent a request to all interested persons to address specific questions to gather information for crafting certain goals and objectives in developing an electric vehicle (“EV”) charging infrastructure plan pursuant to Section 339.287, Florida Statutes. That provision requires the Florida Department of Transportation (“DOT”) to develop, in coordination with the Public Service Commission and the Office of Energy within the Department of Agriculture and Consumer Services (“DACS”), a master plan for the development of EV charging station infrastructure along the State Highway System. The Commission (in consultation with DOT and DACS, and any other public or private entities as necessary or appropriate) has primary responsibility for certain goals and objectives in developing an EV charging infrastructure plan. On October 2, 2020, multiple interested persons provided pre-workshop responses to Commission Staff questions.

On October 14, 2020, the Commission issued a Notice of Staff Workshop regarding the development of a master plan for EV charging infrastructure for the state highway system. Commission Staff held its workshop on October 21, 2020 and proposed receiving post workshop comments a month later. Upon inquiry, Commission Staff requested that post-workshop comments address the original questions posed in its September 2, 2020, Memorandum, and questions raised during the workshop. To the extent the Office of Public Counsel (OPC) has a position on the questions at this time, OPC is filing these comments consistent with staff’s request.

Pre-workshop and Workshop Questions

I. Projecting the increase in the use of electric vehicles in this state over the next 20 years and determining how to ensure an adequate supply of reliable electric vehicle charging stations to support and encourage this growth in a manner supporting a competitive market with ample consumer choice.

A. Please provide a ten-year and twenty-year projection for increased EV use in Florida, including your data source for such projections.

Position: OPC has no independent information regarding the increase in EV use over the next 20 years. Pre-workshop comments including those of electric utilities indicated there is the expectation of an increase in EV's on the road from several hundred thousand to potentially millions in need of available private and public EV charging over the next 20 years. Given this expected increase in EVs in the state, and out-of-state EVs coming into the state for tourism, a systematic approach to EV charging stations that appropriately balances the risks and benefits among users and other stakeholders is warranted.

B. Provide an estimate of the number of charging stations that will be needed to meet the demand presented by these ten and twenty-year projections.

Position: OPC has no independent information regarding the number of charging stations that will be needed to meet the demand expected due to growth in EVs on the road over the next 10 to 20 years.

- Staff raised the following questions regarding this first section at the workshop for participants to address: 1) Are there any resources or tools that you feel the Commission is overlooking in order to project the number of EVs or needed charging over the next 20 years? How can the staff best use the numbers provided by the utilities for a whole state estimate.

Position: OPC has no additional comments at this time regarding these questions.

II. Strategies to develop the supply of charging stations, including, but not limited to, methods of building partnerships with local governments, other state and federal entities, electric utilities, the business community, and the public in support of electric vehicle charging stations.

A. Provide comment on strategies to develop the supply of charging stations, including methods of building partnerships between charging station installers, governmental entities, electric utilities, the business community, and the public.

Position: As part of the requirements of the development of the master plan, Section 339.287 (2)(c)3., Florida Statutes, specifically requires the Commission consider “strategies to develop this supply of charging stations, including, but not limited to, methods of building partnerships with local governments, other state and federal entities, electric utilities, the business community, and

the public in support of electric vehicle charging stations.” The Legislature has found that “[e]nsuring the prompt installation of adequate, reliable charging stations is in the public interest.” See, Section 339.287 (1)(f), Florida Statutes.

Strategies for deployment of EV infrastructure should be done in a manner that favors the lowest cost impact to, and does not assign all of the risk on, the citizens of the state of Florida. The development of EV charging infrastructure is largely dependent on electric utilities and the grid to deliver the electricity necessary to power the EV infrastructure. As such, electric utilities are integral to the development of the electric charging infrastructure in this early period. The utilities are advocating pilot programs that include the potential of owning and operating EV charging stations. These pilot programs will be addressed in separate, individual dockets. To the extent that any EV charging station related utility pilot programs are going to be approved, these programs should be competitively neutral and have *de minimis* impact on the utilities’ ratepayers that fairly assigns risks.

Moreover, any governmental policies should favor use of equipment and software that promotes interoperability. Just like with gas stations, EV customers should be able to use EV charging stations that may be owned and operated by various entities without having to worry about the compatibility of the equipment. This is especially necessary on the major and secondary evacuation routes during major storm events. In addition, favoring interoperability and standardization of equipment should reduce costs over the long term.

- Staff raised the following issue at the workshop: We just want to know in the opinion of the participants here today, are there any drawbacks to the make-ready style partnerships for developing EV charging stations?

Position: Given that a make-ready style partnership would involve the electric utilities building and maintaining the electric infrastructure up to the charging stations which would be in rate base, any partnership should be designed to have the least cost impact (including a fair allocation of risk) on the general body of the utilities’ ratepayers. Since the costs associated with these arrangements will be flowed back to ratepayers who may not see any direct benefits, or any benefits at all, from EV charging stations, the Commission must be judicious in its approval using ratepayer money for these purposes. Any approval of ratepayer-provided funds in such partnership should not make the customers the insurer of last resort for competitive ventures.

- Staff also raised the following issue: Are there any current issues or difficulties present with the EV charging station permitting process in Florida?

Position: OPC has no independent information on this issue.

B. Provide examples of strategies adopted or being considered in other states that could be implemented in Florida.

Position: OPC has no independent information regarding strategies adopted or being considered in other states that could be implemented in Florida. However, when considering other state programs discussed in the pre-workshop comments, OPC urges the Commission to consider the cost impacts to the general body of utility ratepayers. Many of the pre-workshop comments cite

to other state plans that have offered rebates or incentives to customers for charging infrastructure deployment. Should the Commission look to implement similar types of programs with incentives and/or rebates, OPC would encourage the Commission to favor programs that will have a *de minimis* impact on the general body of utility ratepayers. Many of the pre-workshop comments argue that home charging or other EV charging infrastructure can be beneficial to the general body of ratepayers. Should the Commission consider rebates and/or incentives to assist customer to install EV charging infrastructure, the costs of any program should be evaluated to determine if there are the benefits to the general body of ratepayers resulting in downward pressure on rates.

- Staff raised the following issue at the workshop: Can you please identify what, if any, obstacles unique to Florida [exist], and they can be any aspects via regulatory framework, EV market geography, *et cetera*, that are important to consider when the Commission is researching and exploring beneficial partnerships for EV charging station proliferation?

Position: Based on the discussion at the workshop by the other participants, there do not appear to be any unique Florida issues to EV deployment, other than the need to create EV infrastructure to support hurricane evacuations, in light of the geographic location of the state and the peninsular topography.

- Staff also raised the following issue at the workshop: Do you believe legislative requirements are necessary, or do you believe the EV charging market will move to fill gaps on its own?

Position: OPC offers no comments on this question at this time.

III. Identifying the type of regulatory structure necessary for the delivery of electricity to electric vehicles and charging station infrastructure, including competitively neutral policies and the participation of public utilities in the marketplace.

- A. Provide comment on the regulatory structure necessary for delivery of electricity to EV charging station infrastructure.

Position: The Commission has the ability to review the individual electric companies' proposals for EV charging infrastructure. As the Commission reviews these individual proposals, the collection of data on the use of EV charging infrastructure will be critical going forward since the development of EV infrastructure is still in its beginning stages. As part of the Commission's review of this data, the benefits and costs of any infrastructure being proposed to be placed in rate base - not directly covered by the cost causer - needs to be closely scrutinized. The Commission also has the ability to promote EV charging that utilizes the utilities' existing Time-of-Use rates (TOU) and helps to avoid construction of additional generation plant. These strategies may decrease the potential rate impact to the general body of utility ratepayers while improving the current level of EV charging infrastructure.

- Staff raised the following issue at the workshop: In your eyes what kind of rate structure should IOUs have? Time of use, real-time pricing, or something else?

Position: As noted above, the Commission should promote rate structures that (a) do not shift costs from the cost causer to the general body of ratepayers and (b) will promote benefits to all ratepayers.

- B. Provide comment on what constitutes competitively neutral policies in the electric vehicle charging marketplace.

Position: Governmental policies that favor the use of equipment and software that promotes interoperability is an example of a competitively neutral policy. EV customers should be able to use EV charging stations owned and operated by various entities without having to worry about the ability to use specific equipment. This is especially necessary on the major and secondary evacuation routes during major storm events. In addition, favoring interoperability and standardization of equipment should reduce costs over the long term.

The costs of the electricity to the charging station should be competitively neutral and, whenever possible, should be covered by the cost causers. If the utilities are allowed to place the costs of the infrastructure connected to the EV charging equipment into rate base, which will not be covered by CIAC or other offsetting costs, then additional scrutiny should be performed before these costs are added to rate base. Any approval of ratepayer-provided funds, especially where a competitive venture is undertaken by the utility, should not make the customers the insurer of last resort for such competitive ventures.

- Staff raised the following issue at the workshop: How are you planning to differentiate your charging stations from one another in order to attract customers? Or is this ability not really attainable?

Position: This question was raised in the context of completely neutral governmental policies. OPC believes that clearly identifying the operator of an EV charging station is necessary. To the extent EV stations are authorized for electric utilities, any branding or marketing relating to ownership of the EV stations should not be charged to the utilities' ratepayers, or the customers should receive the benefit of a royalty-like credit in the ratemaking revenue requirement.

- C. Provide comment on the participation of public utilities in the electric vehicle charging marketplace.

Position: Electric utilities provide the foundational infrastructure basis for EV charging infrastructure. The utilities are proposing that make-ready infrastructure should be allowed in rate base, just like other electric infrastructure. As stated above, if the utilities are allowed to place the costs of the EV infrastructure up to the charging equipment into rate base, which will not be covered by CIAC or other offsetting costs, then additional scrutiny should be performed before these costs are added to rate base.

In order to allow development of a competitive market, any decisions made by the Commission should be made in a competitively neutral manner. For example, the electric utilities should not receive a competitive advantage merely because they would produce and then distribute electricity for public EV charging.

- Staff raised the following issue at the workshop: Can the rate basing give utilities a competitive advantage?

Position: OPC believes that allowing utilities the ability to place EV infrastructure, especially EV charging stations, into rate base can create a competitive advantage to the utilities that must be guarded against. It is possible that the costs for the electric infrastructure connected to EV charging stations open to the public may not be recovered from end users, especially at the initial deployment stage. Thus, the utilities' ability to absorb these costs and pass them on to their general body of ratepayers in an effort to encourage development and deployment of the EV charging is a potential significant advantage now and in the future. It could allow the electric utilities to gain a foothold in this market based on this competitive advantage. In turn, the utilities can use this competitive advantage to maintain their hold on the market for EV charging stations. Regardless, any approval of ratepayer-provided funds in the form of rate basing the cost of a competitive foray should not make the customers the insurer of last resort for such competitive ventures.

- Staff also raised the following issue at the workshop: The question is: Should there be any limitations to utilities' EV charging station ownership?

Position: If the utilities are allowed to own EV charging stations, the Commission should routinely monitor the competitiveness of the EV charging marketplace. While it may not be necessary to limit utility ownership of public EV charging stations at this time, as the market develops and more public EV stations become profitable, the Commission may need to limit utility ownership of public EV charging stations or require that the ownership be divested from the regulated part of the utilities' activities. Any approval of ratepayer-provided funds, especially where a competitive venture is undertaken by the utility, should not make the customers the insurer of last resort for such competitive ventures.

- D. Provide examples of regulatory structures adopted, or being considered, in other states regarding electricity supply to EV charging station infrastructure, including examples of competitively neutral policies and the participation of public utilities in the marketplace, that could be implemented in Florida.

Position: OPC has no independent information regarding strategies adopted or being considered in other states that could be implemented in Florida.

If you have any questions, please call me at (850) 717-0333.

Respectfully Submitted,

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