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June 9, 2025

#### **VIA PSC E-FILE SYSTEM**

Adam Teitzman, Director <u>Clerk@psc.state.fl.us</u> Office of the Commission Clerk Gerald L. Gunter Building, Suite 152 Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850

> In Re: Docket No. 20250011 Florida Power & Light Rate Case Testimony on behalf of AACE, Circle K, RaceTrac, and Wawa

Dear Mr. Teitzman:

Attached for filing in the above-referenced Florida Power & Light ("FPL") Rate Case is the Testimony of David Fialkov, on behalf of Americans For Affordable Clean Energy ("AACE"), Circle K Stores, Inc., RaceTrac, Inc., and Wawa, Inc., who have jointly petitioned today for intervention. We are filing this testimony subject to the Petition for Intervention being granted recognizing that today is the due date for Intervenor testimony.

If you have any questions regarding this filing, please let me know. Thank you for your assistance.

Best regards,

BERGER SINGERMAN LLP

Floyd R. Self

FRS/CDAA

cc: E-Service List

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#### I. INTRODUCTION AND WITNESS QUALIFICATIONS

2 Q. Please state your name and business address.

3 A. David Fialkov, PO Box 15269 Washington, DC 20003.

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4 Q. On whose behalf are you testifying in the proceeding?
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A. I am testifying on behalf of Americans for Affordable Clean Energy, Inc.
("AACE"), as well as three of our member fuel retailer companies that have
also individually and jointly with AACE sought to intervene in this
proceeding. Collectively, I will refer to AACE and its fuel retailer member
companies as the "Fuel Retailers."

10 Q. Please describe further AACE.

11 Α. AACE is a non-profit organization with members among Florida's most 12 sophisticated suppliers of vehicle fuels that are currently investing in and 13 are otherwise eager to expand investments in electric vehicle ("EV") 14 charging. AACE's members include the three fuel retailer companies that 15 have jointly intervened in this docket with AACE: Circle K Stores, Inc., 16 RaceTrac, Inc., and Wawa, Inc. Other AACE members operating in Florida in the Florida Power & Light Company ("FPL") territory include: The 17 Love's Family of Companies ("Love's"); QuikTrip Corporation 18 19 ("QuikTrip"); and TravelCenters of America, Inc. ("TA"). AACE's 20 members are proud to provide fuel for all vehicle types, as well as other 21 goods, services, and conveniences, to the traveling public at existing and

future locations throughout Florida and across the United States. Combined,
 AACE's retail members operate more than 1,500 gas stations, convenience
 stores, and travel centers throughout Florida.

4

#### Q. What is your occupation and by whom are you employed?

5 A. I am a Partner at Fialkov, Frend, and Goheen, LLC ("FFG Group") 6 representing the fuel marketing and retail fuel industry. This representation 7 includes advocacy for the National Association of Truck Stop Operators 8 ("NATSO"), the national trade association representing the travel plaza and 9 truckstop industry, and the Society of Independent Gasoline Marketers of 10 America ("SIGMA"), a national trade association representing the most 11 sophisticated, forward-thinking fuel retailers and marketers in the country. 12 Those two groups represent between 80% and 90% of retail sales of motor 13 fuel in the United States today. FFG Group also represents AACE, and I 14 function as the Executive Director of AACE, on whose behalf I am testifying. AACE is comprised of a group of fuel retailers from national 15 16 trade associations that focus on EV charging markets and policies.

NATSO represents nearly 5,000 travel plazas and truck stops nationwide,
comprised of both national chains and small, independent locations. The
travel center industry – defined loosely as retail fuel outlets located within
one-half mile of an Interstate – is a diverse, sophisticated and evolving
industry that is positioned to meet the needs of all drivers traveling on the

1Interstate Highway System regardless of the fuel their vehicles use.2Although the industry was once tailored solely to truck drivers, it now caters3to the entire Interstate traveling public, as well as the local population.4NATSO advances the industry's interests by influencing government action5and public opinion on highway issues such as commercialization, tolling,6and truck parking, and represents the industry on environmental and energy7issues.

8 SIGMA represents a diverse membership of approximately 260 9 independent chain retailers and marketers of motor fuel. Founded in 1958, 10 SIGMA is the national trade association representing the most successful, 11 progressive, and innovative fuel marketers and chain retailers in the United 12 States and Canada. In addition to a sophisticated, dynamic advocacy 13 operation, SIGMA also delivers first class education and other content to 14 members on trends and news affecting the industry.

#### 15 Q. Please summarize your work for these trade organizations.

A. I have represented the retail fuels industry in a variety of roles since 2010.
Today, I lead efforts and advocate for members on legislative and regulatory
issues, while also providing education on legal and policy issues affecting
the industry. The downstream fuel sector, representing the wholesale,
distribution, and retail segments of the transportation energy value chain, is
unambiguously fuel agnostic. The associations I represent firmly believe

1		that the most expeditious and economical way to diversify transportation
2		energy technology is through market-oriented, consumer-focused policies
3		that encourage our membership to offer more alternatives and lower prices
4		for consumers. I work closely with federal policymakers who seek to
5		achieve a transition to lower-carbon and zero emission transportation
6		energy.
7	Q.	Please state your educational background and experience.
8	A.	I previously worked as a senior associate in the Government Affairs and
9		Public Policy practice at Steptoe and Johnson LLP in Washington, D.C.
10		Prior to that position, I graduated with honors from George Washington
11		University Law School after receiving my B.S. summa cum laude with
12		highest honors from Clark University in Worcester, MA.
13	Q.	Have the Fuel Retailers participated in previous Florida PSC
14		proceedings?
15	A.	Yes. Last year, AACE, Circle K, RaceTrac, and Wawa were granted
16		intervention in the Duke Energy Florida, LLC rate case, Docket No.
17		20240025-EI, as well as in the Tampa Electric Company rate case, Docket
18		No. 20240026-EI.
19	Q.	Did you provide testimony in those other Florida rate cases?
20	A.	No, given the issues in those cases, we felt it was not necessary to provide
21		testimony in order to address our issues. However, I have testified on behalf

1	of AACE before the Minnesota Public Utilities Commission in Docket No.
2	E002/M-22-432, which involved the petition by Northern States Power
3	Company d/b/a Xcel Energy ("Xcel") for approval to modify and expand
4	its commercial and residential EV charging programs ("EV Portfolio
5	Petition"). <sup>1</sup> The Commission referenced this proceeding in its Interim
6	Order, Decision No. C23-0425-I, as the "similar transportation
7	electrification plan" filed by Public Service Company of Colorado's
8	("PSCo" or "Company") affiliate but was withdrawn several months into
9	the proceeding. <sup>2</sup> I submitted direct testimony in that Colorado docket on
10	behalf of AACE on February 7, 2023. <sup>3</sup> The procedural schedule in that
11	proceeding was subsequently stayed pending settlement discussions, and,
12	as acknowledged by the Commission, Xcel ultimately withdrew its petition.
13	I also submitted direct testimony with the Public Service Commission of

<sup>&</sup>lt;sup>1</sup> See Minnesota Public Service Commission, Docket No. E002/M-22-432, https://efiling.web.commerce.state.mn.us/edockets/searchDocuments.do?method=eDocke tsResult&userType=public.

<sup>&</sup>lt;sup>2</sup> Decision No. C23-0425-I, ¶ 10 (directing PSCo "to address press reports that its parent company withdrew a similar transportation electrification plan in Minnesota and the potential implications, if any, that this withdrawal has on the Company's efforts in Colorado. Such potential impacts could involve less commitment from executive leadership toward owning and operating an EV charging network, or spreading the fixed costs associated with developing and running a Company-owned network of chargers over a significantly smaller base of invested capital.").

<sup>&</sup>lt;sup>3</sup> Minnesota Public Utilities Commission, Docket No. E002/M-22-432, Direct Testimony of David H. Fialkov on behalf of Americans for Affordable Clean Energy (Feb. 7, 2023), https://efiling.web.commerce.state.mn.us/edockets/searchDocuments.do?method=eDocke tsResult&userType=public#{10F32D86-0000-C915-9F5E-C07489E85FA2}.

South Carolina in Docket No. 2023-121-E, Identification of Regulatory
 Challenges and Opportunities Associated with Electrification of
 Transportation Sector Pursuant to S.C. Code Ann. Section 58-27-265.<sup>4</sup>

#### 4 Q. What is AACE's interest in this proceeding?

5 A. First and foremost, the Fuel Retailers are customers of FPL, so any rate 6 increases or policy changes relating to them as retail commercial electric 7 customers will have an impact on their businesses. They want to ensure that 8 the rates, terms, and conditions of service that impact them as FPL 9 customers are fair, reasonable, and justified.

10 AACE's members are in the business of transportation services and want to 11 play a significant role in providing EV charging services through their 12 respective retail networks so that the traveling public has a recognizable 13 service provider with a convenient network of charging locations. Several 14 of our members currently offer or have announced plans to offer EV 15 charging services.<sup>5</sup> As we noted in our petition to intervene, Circle K,

<sup>&</sup>lt;sup>4</sup> Public Service Commission of South Carolina, Direct Testimony and Exhibits of David Fialkov behalf (Sept. H. on of AACE 22, 2023), https://dms.psc.sc.gov/Attachments/Matter/ead94ab9-808e-4e79-aabc-347520ec36da. <sup>5</sup> See, e.g., Steve Holtz, "Casey's Doubles Its EV-Charger Operations," CSP Daily News (Nov. 1, 2022), https://www.cspdailynews.com/fuels/caseys-doubles-its-ev-chargeroperations; Brett Dworski, "TravelCenters of America to deploy 1,000 EV charging ports by 2028," Utility Dive (Jan. 31, 2023), https://www.utilitydive.com/news/travelcenters-ofamerica-deploy-1000-ev-charging-ports-electrify-america/641614/; Umar Shakir, "EV Chargers Are Coming, This Time at TA Rest Stops," The Verge (Jan. 30, 2023), https://www.theverge.com/2023/1/30/23577696/electrify-america-travelcenters-petro-evdc-fast-chargers; Liz Dominguez, RIS News, "Circle K expands fast EV charging

1		RaceTrac, and Wawa each currently offer EV charging services, and they
2		are in various stages of providing EV charging services within the FPL
3		service area. Thus, it is important that the Fuel Retailers be able to offer EV
4		charging services in an affordable manner to the public, which will be
5		impacted by the decisions the Commission makes in this docket.
6		II. FPL EV CHARGING ISSUES
7	Q.	You noted that the Fuel Retailers are first and foremost, retail electric
8		customers of FPL. How does FPL's planned rate increases impact the
8 9		customers of FPL. How does FPL's planned rate increases impact the individual AACE members?
	А.	
9	A.	individual AACE members?
9 10	A.	individual AACE members? Overall, FPL is requesting a base rate increase of \$1,545 million, to be

footprint" (May 5, 2023), <u>https://risnews.com/circle-k-expands-fast-ev-charging-footprint;</u> Aria Alamalhodei, "7-Eleven to install 500 EV charging ports by the end of 2022," TechCrunch (June 1, 2021), <u>https://techcrunch.com/2021/06/01/7-eleven-to-install-500-ev-charging-stations-by-the-end-of-2022/;</u> Dana Hull, "How Sheetz Partnered with Tesla and Brought EV Charging to Rural America," *Bloomberg.com* (July 14, 2022), <u>https://www.bloomberg.com/features/2022-tesla-electric-car-charging-stations-road-trip-sheetz/#xj4y7vzkg;</u> Tom Moloughney, "Love's Travel Stops to Further Expand Network," InsideEVs (Aug. 18, 2020), <u>https://insideevs.com/news/439519/electrify-america-loves-travel-stops-partnership/;</u> "Wawa Partners with EVgo to Expand Electric Vehicle Charging Network," Convenience Store News (Mar. 10, 2022), <u>https://www.csnews.com/wawa-partners-evgo-expand-electric-vehicle-charging-network;</u> "GoMart to Launch EV-Charging Stations at over 40% of Its C-Stores," C-Store Dive (Oct. 25, 2022), <u>https://www.cstoredive.com/news/gomart-to-launch-ev-charging-stations-at-over-40-of-its-c-stores/634911/</u>.

1 mechanisms and rate changes. Each Fuel Retailer will be impacted 2 differently, based upon the size and number of locations within the FPL 3 service area, but each location within FPL's service territory will be adversely impacted if FPL's proposals are all approved. FPL bears the 4 5 burden of proof in these proceedings to substantiate its return and its 6 specific rate increases. I note that there are a number of other parties in this 7 proceeding who are better equipped to challenge FPL on its return and rate 8 proposals, a process we support. While each AACE member company will 9 continue its own assessment of the specific impacts of FPL's requests on its 10 operations, at this time we will not duplicate the efforts of the other parties, 11 and instead focus on the specific EV charging issues impacting the Fuel 12 Retailers.

## 13Q.How do14services

## How do FPL's proposals impact the Fuel Retailers' EV charging services?

A. FPL currently has several different pilot tariff programs involving EV
charging services that were discussed in Mr. Tim Oliver's direct testimony,
beginning at page 34. First, there is the FPL Utility-Owned Public Charing
(rate schedule UEV or the "UEV Tariff"), that allows FPL to provide FPLowned charging stations and collect fees for such usage. The availability of
FPL-owned EV charging ports was significantly expanded in the 2021 rate

1		case settlement, <sup>6</sup> which authorized an investment of up to \$100 million over
2		2022-2025. Second and third, there is the Electric Vehicle Charging
3		Infrastructure Riders, including the General Service Demand ("GSD-1EV")
4		and the General Service Large Demand ("GSLD-1EV") tariffs, which
5		enable third-party investment in public charging stations. These three pilot
6		tariffs were approved for a five-year period, that will run through the end of
7		2025. There is also an EV Home Program pilot and a Commercial EV
8		charging program that enables homes and certain commercial businesses to
9		install FPL-owned charging equipment at their homes for personal vehicles
10		or at certain commercial business for use by commercial fleet vehicles.
10		of at certain commercial business for use by commercial next venicies.
11	А.	The Commission Should Reject Making the UEV Tariff Permanent.
	А. Q.	·
11		The Commission Should Reject Making the UEV Tariff Permanent.
11 12	Q.	<u>The Commission Should Reject Making the UEV Tariff Permanent.</u> Please summarize what FPL proposes to do with the UEV Tariff.
11 12 13	Q.	The Commission Should Reject Making the UEV Tariff Permanent. Please summarize what FPL proposes to do with the UEV Tariff. FPL is requesting to make the UEV Tariff permanent and increase the
11 12 13 14	Q.	The Commission Should Reject Making the UEV Tariff Permanent.Please summarize what FPL proposes to do with the UEV Tariff.FPL is requesting to make the UEV Tariff permanent and increase thecharging fee from \$0.30 to \$0.35 per kWh, which it says is a market-based
11 12 13 14 15	Q.	The Commission Should Reject Making the UEV Tariff Permanent.Please summarize what FPL proposes to do with the UEV Tariff.FPL is requesting to make the UEV Tariff permanent and increase thecharging fee from \$0.30 to \$0.35 per kWh, which it says is a market-basedrate "comparable to the EV pricing options offered by non-utility
<ol> <li>11</li> <li>12</li> <li>13</li> <li>14</li> <li>15</li> <li>16</li> </ol>	Q.	The Commission Should Reject Making the UEV Tariff Permanent.Please summarize what FPL proposes to do with the UEV Tariff.FPL is requesting to make the UEV Tariff permanent and increase thecharging fee from \$0.30 to \$0.35 per kWh, which it says is a market-basedrate "comparable to the EV pricing options offered by non-utilityproviders," which FPL asserts is effectively approximately \$0.43 per kWh.

<sup>&</sup>lt;sup>6</sup> Docket No. 20210015-EI, Order No. PSC-2021-0446-S-EI, *Final Order Approving 2021 Stipulation and Settlement Agreement*, December 2, 2021 ("2021 Settlement Order").

#### Q. Do you agree with FPL's proposals for the UEV Tariff?

2 A. No, I do not. FPL's assessment is based on several flawed assumptions. 3 First, if you look at the annual reports that FPL has been filing in Docket No. 20200170, and if you simply accept the data as presented, after 2021, 4 5 this program has never earned more revenue than its expenses.<sup>7</sup> Moreover, 6 there is no explanation for how adding more chargers, as Mr. Oliver reports 7 in his testimony, flips the table and going forward makes the program 8 revenues greater than expenses. Indeed, as FPL has added chargers, the 9 losses have only increased, nearly doubling year over year.

10 Second, to make projections based upon the last 1-3 years is seriously 11 flawed. We have already seen federal grant monies recalled. Moreover, 12 Florida has completely failed to utilize its National Electric Vehicle 13 Infrastructure ("NEVI") funding to get chargers installed. In February of 14 this year, the U.S. Department of Transportation told states in a memo to 15 suspend the NEVI program, likely meaning Florida will never spend any of 16 the almost \$200 million originally authorized.<sup>8</sup>

<sup>7</sup> Florida PSC Docket No. 20200170, reports dated January 28, 2022, at 15 net positive revenues of \$8,000); January 30, 2023, at 15 (a \$538,000 loss); January 30, 2024, at 15 (a \$1,023,000 loss); and January 30, 2025, at 14 (a \$2,387 000 loss).

<sup>8</sup> Miami Herald, *Miami-Dade was set to get millions for new electric car chargers. Trump pulled the plug*, March 25, 2025, available at: <u>https://www.miamiherald.com/news/local/environment/climate-change/article302700239.html</u>, last accessed June 6, 2025.

1	Third there are further signals that tax incentives will be seriously scaled
2	back if not abandoned entirely. This impacts not only the 30C tax incentives
3	that FPL has relied upon for its EV public charger program, but the \$7,500
4	tax incentives that have consumers have relied upon to make EV purchases.
5	Fourth, even before the changes in grants and tax incentives caused by the
6	change in administrations, the market has already been experiencing slower
7	than expected EV sales for over a year now. <sup>9</sup>
8	Fifth, we have to remember that FPL was authorized to spend up to \$100
9	million in the 2021 rate case settlement on its public chargers. This is rate
10	payer money for 585 fast charging ports in total by the end of 2025 – fast
11	charging is what most EV owners demand, especially when traveling, since
12	charging takes approximately 30 minutes, instead of several hours with
13	Level 2 chargers. The Commission has to ask itself if this is really an
14	effective use of ratepayer funds when the private sector is demonstrably
15	prepared to invest to meet EV driver demand.
16	The bottom line is, basing continuation of this program on current

The bottom line is, basing continuation of this program on current utilization trends, and to assert it will ultimately meet the statutory

<sup>&</sup>lt;sup>9</sup> E&E News by Politico, *Congress ends the road for EV support*, May 23, 2025, available at <u>https://www.eenews.net/articles/congress-ends-the-road-for-ev-support-2/</u>, last accessed June 9, 2025. *See also*, Goldman Sachs, *Why are EV Sales Slowing*, May 21, 2024, available at: <u>https://www.goldmansachs.com/insights/articles/why-are-ev-sales-slowing</u>, last accessed June 6, 2025.

requirements, is unreasonable, since going forward there will be a
 completely new, and different set of rules.

3 Q. You noted that Mr. Oliver has testified that the cost of the UEV
4 program will be offset by the revenues. Why is this important?

5 A. It is very important because the Florida Legislature in 2024 amended 6 Florida Statutes Section 366.94, to create a new subsection (4), which 7 provides:

Upon petition of a public utility, the commission may approve 8 9 voluntary electric vehicle charging programs to become effective on 10 or after January 1, 2025, to include, but not be limited to, residential, 11 fleet, and public electric vehicle charging, upon a determination by 12 the commission that the utility's general body of ratepayers, as a 13 whole, will not pay to support recovery of its electric vehicle 14 charging investment by the end of the useful life of the assets 15 dedicated to the electric vehicle charging service. This provision 16 does not preclude cost recovery for electric vehicle charging 17 programs approved by the commission before January 1, 2024.

By asking the Commission to make the UEV Tariff a permanent offering, this request is subject to this law. As such, FPL bears the burden of proof to demonstrate that by the end of its useful life of the assets, the general body of ratepayers will not pay for this program. Given the flawed assumptions

underlying FPL's request, there is no basis for the Commission to make a
 finding that would support making this program permanent.

3 **Q**. Are there other problems with making the UEV program permanent? Providing of EV charging to the public is unquestionably a competitive 4 A. 5 business. As I have already testified, the Fuel Retailers are fuel agnostic -6 *it is their business* to serve the traveling public with the fuel and services 7 they need. Authorizing the continuation of utility-owned charging stations will directly affect AACE's members' planned investments and 8 9 partnerships in EV charging infrastructure. AACE members have already 10 committed to installing thousands of EV charging stations across the country.<sup>10</sup> In addition to developing their own chargers,<sup>11</sup> several AACE 11 members are partnering with charging network providers to expand EV 12 13 charging access at retail locations. For example, TA is partnering with 14 Electrify America to deploy 1,000 charging stalls across 200 TA (and TAaffiliated) sites nationwide.<sup>12</sup> RaceTrac is installing EV chargers as a part 15 of its "Electric Highway" program.<sup>13</sup> 16 Together with the NEVI funding grants utilized by other states, these innovative partnerships demonstrate 17

<sup>&</sup>lt;sup>10</sup> *Supra* n.5.

<sup>&</sup>lt;sup>11</sup> See, e.g., <u>https://www.circlek.com/charge</u>.

<sup>&</sup>lt;sup>12</sup> Umar Shakir, "EV Chargers Are Coming, This Time at TA Rest Stops," The Verge (Jan. 30, 2023), <u>https://www.theverge.com/2023/1/30/23577696/electrify-america-travelcenters-petro-ev-dc-fast-chargers</u>.

<sup>&</sup>lt;sup>13</sup> <u>https://www.racetrac.com/Fuel/Electric-Charging</u>.

1	AACE members' commitment to the implementation of EV charging
2	infrastructure. However, the risk that such commitments would be undercut
3	by making the FPL UEV Tariff permanent has raised significant concerns
4	from AACE members now confronting whether to continue to invest private
5	capital in Florida only to compete with investments subsidized by monopoly
6	ratepayers. Remember, even if the program were to comply with Section
7	366.94(4) such that there would be cost recovery over the life of the asset,
8	it still means that for many years monopoly ratepayers are subsidizing the
9	service. This would create an insurmountable competitive disequilibrium.
10	All owners and operators of publicly accessible fast charging stations
11	should operate with the same competitive risks and access to electricity rates
12	on a level playing field. Continuation of this Tariff will have a chilling
13	effect on the Fuel Retailers and would likely force AACE members to
14	prioritize investments in other markets.

# Q. What do you believe would be a better means to accelerate EV charging accessibility within Florida?

A. I believe Florida can achieve its EV acceleration goals on a faster timeline,
and more economically, by leveraging both private investments and existing
sites to increase EV charger availability. AACE members currently operate
more than 1,500 fueling stations within the state, and AACE members have
a strong and proven interest in updating these stations to include EV

1	charging ports to meet the needs of its changing customer base. AACE
2	member stations are currently sited in areas known to broadly serve all
3	customer demographics, attract customer traffic, and house infrastructure
4	and space to facilitate refueling stops. In addition, AACE member stations
5	are already designed with customer needs in mind in that they also offer the
6	convenience of publicly available restrooms, free Wi-Fi, food, and other
7	conveniences that AACE members have extensive experience in providing
8	to the public. <sup>14</sup> The FPL UEV program has not helped private EV charging
9	investment in Florida.

## 10 Q. Do you believe fuel retailers such as AACE members are better 11 positioned than FPL to accelerate EV charging accessibility?

A. Without a doubt, for at least two reasons. First, fuel retailers are generally
 independent businesses operating with economic incentives to meet
 customer demand.<sup>15</sup> Although some might bear the name of a large oil

<sup>&</sup>lt;sup>14</sup> See, e.g., Joe Gose, "Truck Stops Upgrade to Recharge Electric Vehicles (and Their Drivers)" New York Times (Sept. 26, 2023) (explaining how highway travel centers are adding amenities like restaurants and dog parks to accommodate the expanded dwell time of electric vehicle owners), <u>https://www.nytimes.com/2023/09/26/business/truck-stops-electric-vehicles.html?smid=nytcore-ios-share&referringSource=articleShare;</u> Brett Dworski, *TravelCenters cf America to deploy 1,000 EV charging ports by 2028*, UtilityDive (Jan. 31, 2023), <u>https://www.utilitydive.com/news/travelcenters-of-america-deploy-1000-ev-charging-ports-electrify-america/641614/</u>; Jessica Loder, "Kum & Go discusses its EV charging journey" (April 26, 2023) (describing Kum & Go's efforts "to be ahead of the game" when it comes to EV charging and customer amenities), <u>https://www.cstoredive.com/news/kum-go-discusses-its-ev-charging-journey/648613/</u>.

<sup>&</sup>lt;sup>13</sup> Jessica Loder, "Kum & Go discusses its EV charging journey" (April 26, 2023) (quoting a Kum & Go employee: "We're trying to be ahead of the game, to understand how we can

1	company, this is not indicative of any ownership stake in the business or the
2	real estate, but simply of a marketing relationship or announcement to
3	passing motorists that a certain company's product is available for purchase
4	at that location (comparable to a soft drink advertisement in a grocery store
5	window). Incorporating alternative transportation energy, including EV
6	charging, into their fuel offerings is entirely consistent with the business
7	model and with the industry's history of adding new fuels to their offerings
8	as they become available.
9	Second, the travel center industry - defined loosely as retail fuel outlets
10	located within one-half mile of an interstate – is a diverse, well-capitalized,
11	sophisticated, and evolving industry that is already strategically positioned
12	to meet the needs of EV drivers, particularly those traveling on the Interstate
13	System. The industry caters to the entire traveling public, including the local
14	population's fueling and grocery staple needs. Fuel retailers are well
15	positioned to deliver the amenities that EV charging customers need and are

17 needs.<sup>16</sup>

constantly innovating to ensure their offerings meet evolving customer

retail these customers and keep them coming to us for a long time."), <u>https://www.cstoredive.com/news/kum-go-discusses-its-ev-charging-journey/648613/</u>. <sup>16</sup> See, e.g., id. (discussing the development of on-site canopies for customer charging, made-to-order food options, including healthier varieties such as salads and sandwiches, on-site customer service to respond to questions regarding payment and charging infrastructure, and the addition of battery resources, which mitigate demand charges and can decrease EV charging costs).

2

# Q. Do you believe fuel retailers such as AACE members have an important role in accelerating EV charging accessibility?

3 A. Yes, absolutely. The retail fuel industry is an indispensable asset for lowering the carbon footprint of transportation energy in the United States. 4 5 Many retail fuel companies are capable of single-handedly eliminating 6 range anxiety either nationally or in the regional markets where they are 7 located. EV charging availability at existing fuel retailing locations would 8 mean drivers do not need to change their habits if they choose not to – they 9 can refuel on-the-go at the same convenient locations that they do today. 10 While a use-case exists for customers to charge while running errands or 11 staying at larger commercial complexes for extended periods, there remains 12 a significant need for *on-the-go* refueling services, including close to major 13 interstates and in urban environments where local residents don't have 14 consistent access to overnight parking.

And unlike utilities, fuel retailers are effectively surrogates for the consumer in that they identify the most reliable, lowest-cost transportation energy available, and deliver that energy to every community in the country. In so doing, they compete with one another on price, speed, and quality of both facilities and service. To have any chance of being successful, the refueling experience for alternative fuels should be as similar as possible to today's refueling experience.

1 Perhaps most importantly, customer demands and competition drive retail 2 fuel companies' continual innovative evolution. The most successful fuel 3 retailers today have already embraced a changing culture, shifting profit centers to healthy food and beverage options, as well as offering Wi-Fi, 4 5 convenience shopping, and security. They are prepared to continue evolving 6 with their customers and with policy. In addition, retailers are uniquely 7 positioned to identify maintenance problems with a charger and seek to 8 remedy those problems. For example, EV chargers located on fuel retail 9 stations would be staffed on a 24-hour basis, providing a customer with the 10 opportunity to engage with a staff person to answer questions and identify 11 issues. Furthermore, as new, faster charging technologies come to market, 12 retailers will be forced to promptly invest in those technologies in order to 13 compete. It is not clear that utilities, such as FPL, will have the ability to 14 nimbly respond to changing markets, technologies, or consumer preferences 15 regarding location and amenities since this is not their primary business.

# 1 B. The Commission Should Make Permanent the GSD-1EV AND GSLD 2 1EV Tariffs.

- 3 Q. Please summarize what FPL proposes for the GSD-1EV and GSLD4 1EV Tariffs.
- A. FPL is requesting approval to make both of these tariff offerings permanent.
  These are the tariffed services that the Fuel Retailers utilize for their EV
  chargers in order to make EV charging services available to the public.
- 8 Q. Have there been any issues with use of these tariff services by the Fuel
  9 Retailers in order to offer EV charging to the public?
- A. Our AACE members who currently offer EV charging services have not
  reported any issues with utilization of these two tariffed services. We have
  no objection to making these tariffs permanent, so long as the rates are fair
  and will ultimately help promote the deployment of EV chargers.
- But while the rates our members pay are very important, as I have also discussed, reasonable rates to the Fuel Retailers are ultimately *ur.fair rates* if FPL is relying upon its monopoly ratepayers in order to be able to subsidize its EV charging service. The Commission now has a clear legislative mandate to protect FPL's monopoly ratepayers from this happening.

#### 1 C. <u>Other EV Pilot Tariffs.</u>

#### 2 Q. What other EV-related tariff offerings does FPL provide?

A. FPL has an EV Home Program in which FPL provides an EV charging
device at a person's home. FPL also offers a Commercial EV charging
program for businesses desiring an FPL EV charging station for the
business' fleet vehicles. FPL is proposing to make adjustments to both
programs, both to change rates and to make the Commercial EV program
more widely available.

#### 9 Q. Do you support the proposed changes?

10 A. We are still assessing these services. But in any case, FPL should not be
11 offering these services if they are being subsidized in any way by the general
12 body of ratepayers.

#### 13 D. EV Investments for Education and Technology and Software.

- Q. What is FPL seeking in the way of additional investment authorization
   for EV education programs as well as for EV related technology and
   software?
- A. FPL is seeking approval of \$5 million annually to invest in technology and
  software and \$1 million for educational programs.
- 19 Q. Do you agree with these requests?
- A. No. FPL is in the business of providing electricity. Providing counseling on
  EVs, a total cost of ownership calculator, ride and drive events, and various

	other educational programs pertaining to EV use and ownership is
	completely unrelated and unnecessary. The are numerous other sources for
	this type of information. These expenses should be rejected.
	III. CONCLUSION
Q.	Please summarize your recommendations for the Commission.
А.	Overall, with respect to the base rate increase and the requested rate of
	return, I urge the Commission to set fair and reasonable rates based upon a
	fair rate of return. With respect to the EV issues raised by FPL in this
	proceeding, I recommend that the Commission:
	• Reject making the UEV Tariff permanent.
	• Approve continuation of the GSD-1EV and the GSLD-1EV Tariffs
	at affordable rates that will enable public providers of EV charging,
	such as the Fuel Retailers, to economically offer such services to the
	public.
	• With respect to the EV Home Program and the Commercial EV
	Program, continue these programs only if the revenues associated
	with them recover their costs without imposing any costs on the
	general body of ratepayers.
	• Reject the requested \$5 million for technology and software and the
	\$1 for education.
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- 1 Q. Does this conclude your testimony?
- 2 A. Yes.