

Hong Wang

From: Hong Wang on behalf of Records Clerk
Sent: Tuesday, September 29, 2020 7:35 PM
To: 'Ebo Entsuah'
Cc: Consumer Contact
Subject: FW: AEE Comments for Docket No. 20200170
Attachments: AEE FPL EV Tariff Proposal Comments 9.23.20.pdf

Good Afternoon, Ebo Entsuah

We will be placing comments of Advanced Energy Economy in consumer correspondence in Docket 20200170 and forwarding your comments to the Office of Consumer Assistance and Outreach.

Sincerely,

Hong Wang
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
850-413-6770

From: Ebo Entsuah <eentsuah@aee.net>
Sent: Wednesday, September 23, 2020 5:08 PM
To: Records Clerk <CLERK@PSC.STATE.FL.US>
Cc: Jennifer Green <jennifer@libertypartnersfl.com>; Dylan Reed <dreed@aee.net>; Leah Rubin Shen <lrubinshen@aee.net>; Melanie Bostick <Melanie@libertypartnersfl.com>; Liberty Office <office@libertypartnersfl.com>; Matt Stanberry <mstanberry@aee.net>
Subject: AEE Comments for Docket No. 20200170

To Whom It May Concern,

Good Afternoon, please see submitted comments for Docket No. 20200170.

Thank you

Ebo Entsuah
Principal
ADVANCED ENERGY ECONOMY
Transforming Policy. Expanding Markets.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Florida Power & Light
Company for Approval of Optional
Electric Vehicle Public Charging Pilot
Tariffs.

Docket No. 20200170
(Filed June 19, 2020)

COMMENTS OF ADVANCED ENERGY ECONOMY

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***On Behalf of Advanced
Energy Economy***

September 23, 2020

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Florida Power & Light Company for Approval of Optional Electric Vehicle Public Charging Pilot Tariffs.

Docket No. 20200170
(Filed June 19, 2020)

COMMENTS OF ADVANCED ENERGY ECONOMY

Advanced Energy Economy (“AEE”, “we”, “our”) appreciates the opportunity to provide comments to the Florida Public Service Commission (Commission) in response to the Electric Vehicle (EV) Public Charging Pilot Tariffs proposed by Florida Power and Light (FPL) in the above captioned docket. Advanced Energy Economy represents a diverse set of businesses in the advanced energy industry, including those with an interest in transportation electrification (TE). The three new tariffs proposed in this petition impact our members who are interested in TE and conduct business in Florida. Given our interest in TE, AEE supports the creation of beneficial EV-specific rates and encourages the Public Service Commission to approve the program with modifications. Based on feedback from our members, we believe there are opportunities to improve these tariffs as proposed. Our comments provide recommendations to bring these three tariffs into better alignment with EV charging customer needs and preferences, as well as the needs of the EV market, while addressing further improvements that would benefit any other future utility TE proposal in Florida.

I. About Advanced Energy Economy

Advanced Energy Economy is a national association of businesses dedicated to transforming public policy to enable a prosperous world that runs on clean, secure, affordable energy. AEE and its state and regional partner organizations, which are active in 27 states across the country, represent more than 100 companies both large and small across the technology spectrum, including electric vehicles (EVs), energy efficiency, solar, wind, storage, fuel cells, biofuels, demand response (DR), advanced metering, and enabling software. As an organization with stakeholders that provide a range of technologies and services, we balance a wide variety of interests and address issues with a technology-neutral perspective. As it relates to TE, AEE’s

membership includes manufacturers of electric vehicles from small, low speed to large, heavy-duty vehicles, fleet owners, charging infrastructure providers, grid integration solution firms, and companies providing supporting technologies and software services. AEE works with these members to improve the design of policies that influence the TE markets in states around the country.

II. Comments on FPL's Proposed Tariffs

A review of FPL's three new proposed tariffs indicates that FPL has a clear interest in improving the experience for EV drivers in Florida and the economics for third-party station owners in the state. AEE appreciates the efforts of FPL to promote TE. As noted in FPL's petition, "a lack of available public charging infrastructure"¹ is often cited as the biggest barrier to EV adoption and so it is important to ensure that proper infrastructure is in place. In order to provide enough charging availability at this early state of the market, rate structures will need to better facilitate public fast charge infrastructure development. As such, AEE supports with modifications FPL's efforts to modify tariffs for public fast charging stations by proposing a tariff for utility-owned public fast charge stations allowing EV drivers to purchase charging directly from FPL at a rate of \$0.30 per kilowatt-hour ("kWh") and two optional riders to FPL's existing General Service Demand (GSD-1) and General Service Large Demand (GSLD-1) tariffs. Our comments outline the reasons why AEE supports rate reforms, describe opportunities to improve the three proposed tariffs, and provide additional general recommendations.

A. AEE Supports Efforts to Reform Rates In Support of Electrification

AEE supports developing rates that reflect the benefits of widespread EV utilization. The greatest benefits from EV deployment will be achieved by optimizing charging behaviors, shifting demand to off peak periods, reducing the need for new system capacity, and providing customers the tools to manage their usage and costs. It is important for utilities to consider EV-only tariffs and well-designed time-varying rates to encourage off-peak charging and better utilize existing system capacity. In the early stages of market development, utilities should also provide relief from demand charges under EV-only rates to support the use of chargers. As such,

¹ *Petition by Florida Power & Light Company for Approval of Optional Electric Vehicle Public Charging Pilot Tariffs*. Page 4.

we commend FPL for recognizing that “commercial demand rates in standard electric utility tariffs pose a distinct challenge to the economics of third-party public fast charge stations”² and for taking steps to address this significant barrier to EV charging.

B. AEE Recommends Several Improvements to the Proposed Tariffs

1. Addressing the Price Differential Between Utility-Owned and Third-Party-Owned DC Fast Chargers

As FPL noted, it currently has no tariff to charge customers who would use charging stations that it directly owns and operates.³ As such, FPL proposes a pilot Rate for Utility-Owned Public Charging for Electric Vehicles (UEV) that would allow FPL to sell public charging services to EV drivers at a volumetric rate of \$0.30 per kWh. FPL, citing a lack of historical data, determined this rate by looking at what was “reasonable compared to various automotive fuel alternatives that are available to customers, including gasoline-powered transportation and the rates at third-party EV fast charge stations.” In its filing, FPL notes that it developed the third-party rate of \$0.35 per kWh by averaging the rates of multiple charging infrastructure companies together in order to create one blended rate.

Our concern is that the proposal of a rate for utility-owned chargers that is 15% lower in price than the proposed third-party rate could create unintended consequences for the third-party market. Based on our review with our membership, there is concern that the price differential could inadvertently create a tilted playing field that challenges third-party charging infrastructure development over time. FPL states in its filing that one of its goals for these tariffs is to achieve maximization of transportation electrification and ensure that consumers have the best access to publicly available electric vehicle charging stations. AEE strongly agrees with this goal and supports efforts by utilities to put forward programs and rates that seek to achieve these goals. Our concern is simply that the proposed price differential between utility and third-party-owned stations may inadvertently undercut the competitive market, thus slowing third party charging infrastructure investment in the state. We believe there are a number of approaches that could be

² *Id.* Page 5

³ *Id.* Page 9.

taken to address the concern and would be happy to provide our perspective on any that are developed.

2. Tariffs for Third-Party-Owned DC Fast Charger

FPL rightly recognizes that the “financial burden created from high demand charges during early EV market adoption continues to be an area of concern regarding the viability of public EV fast charge station expansion.”⁴ As such, FPL proposes two new riders, GSD-1EV and GSLD-1EV, that feature a “demand limiter” mechanism. Under the riders, the amount of demand billed to public DCFC stations would be the lesser of either: measured demand, as conventionally determined; or limited demand, calculated by dividing kilowatt-hour energy sales by a fixed constant of 75 hours. This is a good structure that limits the impact of low load factor on charging station economics and gradually transitions the charger to standard rates as usage improves.

That being said, there are a few modifications that should be made to the proposed demand limiter. First, the Commission should clarify that the riders apply to both existing DCFC as well as newly constructed DCFC, so as not to inadvertently discriminate by leaving behind existing investments. The tariff pages attached to the petition do not have provisions that limit the rate to new charges, however, clarification from the Commission that existing charging stations may take service under the new tariffs would provide the market with certainty. Second, an increase in the demand limiter would benefit the pilot program. As FPL’s petition shows, there are many existing charging stations that endure financial hardship due to their low load factors, and reducing the demand limiters can help improve station finances with the degree of relief determined by the size of the demand limiter. Currently, the limiter is set at monthly volumetric consumption divided by 75. FPL should look to what other utilities have implemented including Dominion Energy’s GS-2 tariff, which limits demand to 1 kW per every 200 kWh of

⁴ *Id.* Page 13.

consumption⁵ and Xcel Minnesota's Electric Vehicle Public Charging Pilot Service rate, which limits demand to 1kW for every 100 kWh of consumption.⁶

III. Conclusion

AEE appreciates FPL's efforts to advance public charging infrastructure within its service territory by improving charging station economics. While we have recommended modifications to the design of the proposed tariffs, many elements of the rates are responsive to the needs of EV drivers and the third-party EV charging market. By approving these proposed tariffs, with the aforementioned modifications, the Commission will help Florida take important steps forward on transportation electrification, which will provide substantial benefits for the state and its ratepayers.

Respectfully Submitted,



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⁵ Virginia Dominion GS-2 Schedule. <https://cdn-dominionenergy-prd-001.azureedge.net/-/media/pdfs/virginia/business-rates/schedule-gs2.pdf?la=en&rev=ca651fa03bb44ed4acf86a71547ba786&hash=6EF6530D86014E12AB2986EFCDD0FDA9B>

⁶ Xcel Minnesota Electric Vehicle Public Charging Pilot Service Rate. https://www.xcelenergy.com/staticfiles/xn/Regulatory%20&%20Resource%20Planning/Minnesota/Me_Section_5.pdf