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-VIA ELECTRONIC FILING-

Adam Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

**RE: Docket No. 20200170-EI: Florida Power & Light Company's Petition for Approval of
Optional Electric Vehicle Public Charging Pilot Tariffs**

Dear Mr. Teitzman:

Please find attached Florida Power & Light Company's responses to Staff's Third Data Request (Nos. 1-15).

If there are any questions regarding this filing, please contact me at (561) 304-5662.

Sincerely,

/s/ William P. Cox
William P. Cox
Fla. Bar No. 0093531

cc: Shaw Stiller, Senior Attorney
Holly Forrest, Public Utility Analyst I
Tripp Coston, Economic Supervisor

QUESTION:

Please refer to FPL's Petition at page 8. Please confirm that all revenues, operating expenses, capital additions, and depreciation associated with the existing 166 Level 2 DCFC stations are reflected as above-the-line items in FPL's Earnings Surveillance Reports.

RESPONSE:

Yes, all revenues, operating expenses, capital additions and depreciation associated with the existing 166 level 2 stations referenced at page 8 are reflected as above-the-line in FPL's Earnings Surveillance Reports.

QUESTION:

Please confirm that all revenues, operating expenses, capital additions, and depreciation associated with the planned Level 2 DCFC stations will be reflected as above-the-line items in FPL's Earnings Surveillance Reports.

RESPONSE:

Yes, all revenues, operating expenses, capital additions, and depreciation associated with the planned Level 2 and DCFC stations referenced at page 8 will be reflected as above-the-line items in FPL's Earning Surveillance Reports.

QUESTION:

Please refer to FPL's Petition at page 9. Please confirm that all revenues, operating expenses, capital additions, and depreciation associated with the FPL-owned fast charging stations are or will be reflected as above-the-line items in FPL's Earnings Surveillance Reports.

RESPONSE:

As stated in FPL's response to Staff's Third Set of Data Request, No. 2, all revenues, operating expenses, capital additions and depreciation associated with the FPL-owned fast charge stations, or DCFC, will be reflected as above-the-line items in FPL's Earnings Surveillance Reports.

QUESTION:

Please explain whether FPL contracted with a third party to install the charging stations installed to date, or whether FPL employees are performing the work.

RESPONSE:

The charging stations installed to date have been installed by third parties, selected through a competitive bidding process.

QUESTION:

The response to Staff's First Data Request No. 1 estimates the lost revenues from the proposed GSD-EV1 and GLSD-EV-1 tariffs (\$157,000). Please discuss why it is appropriate for the general body of ratepayers to subsidize third party fast charge providers or third party public charging hosts.

RESPONSE:

The \$157,000 represents the estimated lost revenues from the 41 separately metered charging stations in FPL's service territory (as of 2019). This reflects the estimated risk to the general body of customers if the proposed GSD-1EV and GSLD-1EV pilots are ineffective in achieving the desired purpose of incentivizing development of new third-party charging stations. However, to the extent these tariffs are successful in achieving this goal, base revenue from these new entrants will mitigate the impacts of revenue losses of the existing stations.

As previously established, public EV charging stations will continue to be economically challenged by demand charges until EV adoption increases. FPL's proposed GSD-1EV and GSLD-1EV reduce these demand charges to accelerate EV adoption, consistent with the goal of SB 7018 enacted by the Florida legislature to "encourage the expansion of electric vehicle use in this state." Beyond the revenue contributed directly by these new entrant charging stations, it is expected that greater availability of charging stations will encourage greater adoption of electric vehicles, and consequently revenue from residential and workplace charging will further contribute to the recovery of fixed costs, reducing the cost per kWh for the general body of customers.

QUESTION:

Please refer to the response to Staff's Second Data Request No. 2 and provide a full answer to the following hypothetical: If the Commission approved the pilot tariffs and subsequently denied base rate recovery of the EVolution facilities' infrastructure costs in FPL's next base rate proceeding, would FPL continue to offer the pilot tariffs?

RESPONSE:

Yes. Under the hypothetical scenario stated above, FPL would continue to offer the GSD-1EV and GSLD-1EV pilot tariffs as they are wholly unrelated to the EVolution facilities and the allowance or disallowance for base rate recovery would have no impact on FPL's decision to offer those tariffs.

With respect to the Utility-Owned Public Charging for Electric Vehicles (UEV) pilot, in the hypothetical scenario where FPL's EVolution facilities' infrastructure costs are disallowed for base rate recovery, the company would continue to offer the UEV tariff at certain stations and would recommend that the revenue received from the \$0.30 tariff be bifurcated, with the value of electricity (as priced according to the GSD-1EV and GSLD-1EV tariffs) recorded above-the-line and included for ratemaking purposes, and the remaining revenue recorded below-the-line. However, the availability of the UEV tariff would be more limited because FPL would likely curtail future investments in EVolution facilities, considering the policy implications of such a scenario.

QUESTION:

Please discuss any potential impacts on the electric grid that may result from the installation of charging stations in FPL's service territory.

RESPONSE:

FPL interprets "impacts on the electric grid" to mean any effects on the generation, transmission, or distribution systems resulting from the installation of charging stations.

The impacts to the grid are dependent on the change(s) to customer charging behavior resulting from the installation of charging stations. One of the objectives of installing these new charging stations is to test how EV owners' charging patterns change. As this data becomes available from the installed charging stations, FPL will be able to evaluate the effect of these charging stations on system load and energy, and the corresponding effect on the electric grid.

Potential impacts to the electric distribution system may include:

- a) Increased number of transformer and circuit overloads due to higher demand from fast charging stations.
- b) Additional capacity and construction investments required to support growing demand and increased loads.
- c) Need for additional electric infrastructure such as new substations, feeders and equipment to support need.
- d) Increased power quality inquiries and follow up to address customer concerns.
- e) Increase monitoring to ensure new load characteristics are in compliance with the Institute of Electrical and Electronics Engineers (IEEE) and the Florida Administrative Code (FAC).

QUESTION:

Referring to the response to Staff's First Data Request No. 13, please discuss why it is appropriate for the Commission to approve tariffs that would "incentivize external parties to expand development of the EV fast charge infrastructure..." In your response, please cite any relevant statutes and rules.

RESPONSE:

SB 7018 is a bill passed by the Florida Legislature and signed into law by the Florida Governor addressing essential infrastructure in the state. This new law, codified in Section 339.297, Fla. Stat., expressly calls on the Florida Public Service Commission (FPSC or Commission) to work with the Department of Transportation to develop an EV infrastructure plan for placing EV chargers along the state's highway system. For the report required from the FPSC, the law states that the goals and objectives of the Florida Legislature include a role for electric utilities in encouraging the development of EV charging facilities. This new law specifically calls for "the participation of public utilities in the marketplace" when the Commission identifies "the type of regulatory structure necessary for the delivery of electricity to electric vehicles and charging station infrastructure."

Further, under Section 339.287, Fla. Stat., the Commission is to consider bringing together various parties including electric utilities, businesses, and customers in order to achieve the goal of developing the supply of EV charging stations. As Edison Electric Institute, Greenlots, and Tesla recognized in their comments recently filed in this proceeding, third-party development of EV charging infrastructure in conjunction with the efforts of electric utilities like FPL will further SB 7018's goals of providing the necessary charging facilities for electrification of transportation and supporting EV travel and associated charging in the state. Accordingly, it is appropriate to approve the proposed pilot tariffs designed to provide learnings and "ensuring the prompt installation of adequate, reliable charging stations" by FPL and third-party developers consistent with SB 7018 and the public interest.

QUESTION:

Please discuss any financial risks to the general body of ratepayers that could result from FPL-owned EV fast charge infrastructure and the associated proposed tariffs.

RESPONSE:

Because FPL is currently operating under a base rate settlement agreement, there is currently no financial risk to customers from FPL-owned EV fast charge infrastructure and the associated proposed tariffs. The costs associated with these programs will not affect base rates charged to FPL's customers until base rates are next reset. If the Commission allows the inclusion of costs associated with FPL-owned EV infrastructure in base rates in FPL's next base rate case proceeding, customers may be minimally affected. However, these adverse effects would occur only in the event that additional revenues collected via the UEV pilot tariff (or successor tariffs) are insufficient to cover costs, and the expected downward pressure on electric rates resulting from increased adoption of electric vehicles does not materialize under the master plan and related actions contemplated by the Legislature under SB 7018.

QUESTION:

Please discuss in detail why it is appropriate for the general body of ratepayers to provide any cost support for FPL-owned EV fast charge infrastructure and the associated proposed tariffs. In your response, please cite any relevant statutes and rules.

RESPONSE:

The proposed tariffs are part of a pilot designed to encourage the deployment of EV infrastructure, consistent with the goals and objectives of SB 7018, as discussed in FPL's response to Staff's Third Set of Data Requests No. 8. As affirmed by SB 7018, the Florida Legislature finds that "ensuring the prompt installation of adequate, reliable charging stations is in the public interest." In addition, the proposed pilot is intended to provide information regarding EV charging patterns as EV owners utilize the fast charging stations.

With nearly 40,000 EVs in FPL's territory today, and limited visibility into their behavior, it is important for FPL to invest in these limited pilots to understand the impact of EVs on the grid. These limited pilots have a relatively modest cost in the short term, and also have the potential to provide significant benefits for FPL's general body of customers in the longer term. As noted in FPL's petition in this docket, the benefits of vehicle electrification are not limited to owners of EVs. Expected increased revenues from EV charging that result from expanded market penetration of EVs will contribute to the recovery of the utility's fixed costs and put downward pressure on electric rates, thereby benefitting the general body of customers. Further, EVs offer significant environmental benefits due to lower air pollution and greenhouse gas emissions, with EVs producing in effect less than 38% of the carbon dioxide emissions produced by a gasoline-powered equivalent.

QUESTION:

Please discuss why it is appropriate for the Commission to allow FPL, as a regulated utility, to install charging stations in an existing competitive market. In your response, please cite the relevant statutes and rules that allow FPL to provide such service.

RESPONSE:

See FPL's responses to Staff's Third Set of Data Requests, Nos. 8 and 10.

As recognized by the Florida Legislature in SB 7018; by numerous state commissions across the country; and in comments filed in this proceeding by EEI, Greenlots, and Tesla; utilities like FPL have a significant role to play in the marketplace for installing EV charging stations and infrastructure. This includes not only upgrades in electric system infrastructure in the local distribution system needed to enable EV charging stations, often referred to as "make ready" investments, but also deploying charging stations along major highway systems, evacuation routes, and other areas where it serves the public interest. FPL, through its direct to driver tariff, is simply proposing a new method to distribute electricity to EV drivers in these areas. While the Florida Legislature did recognize in Section 366.94, Fla. Stat. that third-party EV charging station developers are not regulated public utilities under Chapter 366, it did not prohibit utilities like FPL from owning and operating such EV charging stations. To the contrary, the Florida Legislature clarified and underscored in SB 7018 (Section 339.287, Fla. Stat.) that utilities should have a significant role in supplying EV charging stations in the marketplace and delivering electricity to EVs and EV charging station infrastructure.

By participating in the expansion of EV infrastructure, regulated utilities offer benefits that may not be achieved by the competitive market alone. Utilities are uniquely qualified to design and operate electric vehicle service equipment ("EVSE") in ways that minimize potential negative impacts and even facilitate more efficient use of the grid, improve reliability, and put downward pressure on electricity rates. Utilities are also well-positioned to address gaps in infrastructure including underserved and low-income communities and to ensure evacuation routes, including primary and secondary highway corridors, are adequately served and resilient to ensure storm support.

QUESTION:

Did FPL consider alternative rates, such as time of use rates, to encourage customers to charge off peak and to collect data about customer reaction to such rates? Please explain.

RESPONSE:

With regard to time of use rates specifically, at this stage in EV market development, time-varying rates are not ideally suited for public fast charging stations due to the variability and uncertainty inherent to station usage. As EV penetration increases and drivers become more educated, FPL believes that managing the impact of EVs on the grid, in a way that facilitates a more efficient use of the grid, may become more critical. Therefore, FPL is not opposed to evaluating the effects of time-varying rates on customer behavior in future studies or tariffs.

When designing the GSD-1EV and GSLD-1EV tariffs, FPL considered various rate designs that have been proposed within the industry for addressing the economic challenges that demand charges cause for operators of low-utilization fast charge stations. These alternatives include eliminating or discounting demand rates, replacing demand rates with volumetric rates, time of use rates, and fixed subscription charges. Ultimately, FPL chose the proposed demand-limiter mechanism because it provides rate relief only to the low utilization stations that need it most and automatically reverts to FPL's established and approved commercial rates (GSD and GSLD) as utilization improves.

For the UEV tariff, FPL chose a single flat price for the purpose of providing EV drivers with a simple, easy-to-understand and uniform experience. As stated by Greenlots in their letter of support in this proceeding, "a consistent user experience is a critical element for driving EV adoption."

QUESTION:

According to page 9 of the Petition, FPL developed the proposed 30 cents per kWh amount for the FPL-owned EV chargers based primarily on a comparison to current rates of other EV charging providers and various automotive fuel alternatives that are available to customers. Please explain why the utility believes it is appropriate for the customers of a rate regulated utility to pay a market-based rate rather than a cost-based rate.

RESPONSE:

As noted in FPL's Petition in this docket, FPL is proposing to offer its pilot UEV tariff for FPL-owned DCFC fast charging stations along highway systems, evacuation routes, and other locations that may benefit EV drivers. One of the primary goals is to learn more about what EV driver customers need in terms of EV charging stations and service offerings. FPL has proposed a reasonable rate for this tariff based on limited available information, recognizing that through this pilot FPL will be able to gather more specific data to evaluate and develop cost-based rates for EV charging services.

QUESTION:

Section 366.02(2), F.S., defines an "electric utility" to mean any municipal electric utility, investor-owned electric utility, or rural electric cooperative which owns, maintains, or operates an electric generation, transmission, or distribution system within the state. Please explain whether and how FPL considers service provided pursuant to its proposed Utility-Owned Public Charging for Electric Vehicles rate schedule in Docket No. 20200170-EI to be generation, transmission, or distribution of electricity within the state. If the service provided pursuant to the proposed tariff is not generation, transmission, or distribution of electricity within the state, please provide the specific statute or rule language that authorizes the Commission to approve a program "for the purpose of studying and supporting the development of electric vehicle ("EV") public fast charging infrastructure in FPL's service territory." (Petition at p. 1)

RESPONSE:

The provision of electric charging services by FPL as an electric utility under Chapter 366.02(2), Fla. Stat., as proposed in the tariff in this docket, is the distribution of electricity to EV driver customers within the state of Florida. Section 366.02(2), Fla. Stat. defines an electric utility in pertinent part as an investor-owned electric utility "owning, maintaining, or operating an electric generation, transmission, or distribution system."¹ If FPL provides EV charging services through one of its charging stations to an EV driver, FPL would be distributing or delivering electricity to EV driver customers no different than it does when it provides electric service to a residential or business customer. FPL is simply providing that electricity to the customer through a public EV charging station along a highway system or another roadside location, and that customer is paying for that retail sale of electricity just as that customer would at a home or business.

The Florida Legislature clearly intended to encourage the development of EV charging station infrastructure and provision of EV charging services by both utilities and third party nonutility developers both in Section 366.94, Fla. Stat. and SB 7018 (Section 339.287, Fla. Stat.), as discussed in FPL's responses to Staff's Third Set of Data Requests Nos. 8, 10, and 11. While Section 366.94, Fla. Stat. states that "the provision of electric vehicle charging to the public by a nonutility is not the retail sale of electricity" for purposes of Chapter 366, Section 366.94 does not apply to electric utilities like FPL. The Legislature made it clear that the provision of EV charging service by a nonutility is not a retail sale of electricity in an effort to encourage third party provision of EV charging services, thereby not limiting the provision of EV charging services to utilities regulated under Chapter 366. Moreover, the Legislature has made it clear in SB 7018 that utilities regulated under Chapter 366 would be active participants in the marketplace to provide both EV charging stations and EV charging services to the public.

¹ "Distribution system" has been defined as "the distribution system consisting of electric lines, electric plant, transformers and switchgear used for conveying electricity to ultimate consumers, but not including any part of the Transmission System." See *In re: Petition for approval of amended standard offer contract (Schedule COG-2), by Duke Energy Florida, LLC d/b/a Duke Energy*, Docket No. 20200111-EQ, Order No. PSC-2020-0202-PAA-EQ, iss. June 24, 2020. FPL's current tariff defines "distribution system" as "Electric service facilities consisting of primary and secondary conductors, service laterals, conduits, transformers, and necessary accessories and appurtenances for the furnishing of electric power at utilization voltage." Florida Power & Light Company, Fourteenth Revised Tariff Sheet No. 6.080, eff. October 13, 2016.

As noted in FPL's Petition in this docket and in FPL's response to Staff's Third Set of Data Request, No. 13, FPL has proposed a reasonable rate for this pilot tariff as we evaluate and develop cost-based rates for EV charging services.

QUESTION:

Please cite to any known examples where the Florida Public Service Commission has approved an electric tariff or electric pilot program that does not involve the generation, transmission, or distribution of electricity within the state.

RESPONSE:

FPL is not aware of any examples where the Florida Public Service Commission has approved an electric tariff or electric pilot program that does not involve the generation, transmission, or distribution of electricity within the state. FPL's proposed direct to driver pilot tariff does involve the distribution of electricity directly to customers through EV charging stations owned by FPL, as discussed in response to Staff's Third Set of Data Requests, No. 14.

The Commission has previously approved a pilot tariff for electric vehicle charging rates that limit demand charges for Tampa Electric Company. See *In Re: Petition for Approval of New Experimental Electric Vehicle Tariff by Tampa Electric Company*, Docket No. 950517-EG, Order No. PSC-95-0853-FOF-EG, Florida Public Service Commission, iss. July 17, 1995) (approving three-year experimental rate with limits on demand charges).¹

Further, the Commission has recognized that electrical vehicle charging facilities fall within the scope of its jurisdiction. The Commission previously approved a pilot for Duke Energy Florida to invest in charging stations as a part of Duke's 2017 rate case settlement. (*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-2017-0451-AS-EU, iss. Nov. 20, 2017.)

Finally, the Commission has approved pilot and permanent electric tariffs that involve distribution and/or generation of electricity that, like EV charging, are not the customary distribution of electricity to a residence or business. See, e.g., *In re: Petition for approval of a permanent optional LED streetlight tariff, by Florida Power & Light Company*, Docket No. 20190223-EI, Order No. PSC-2020-0085-TRF-EI, iss. March 23, 2020 (approving former pilot LED streetlight service tariff for FPL); *In re: Petition for approval of optional supplemental power services pilot program*

¹ The Commission has also approved other electric vehicle-related programs and regulatory initiatives for TECO and Gulf Power. See *In re: Petition to amend energy education, awareness and agency outreach program, by Tampa Electric Company*, Docket No. 170015-EI, Order No. PSC-17-0206-PAA-EI, iss. May 24, 2017 (approving a proposed EV-related program as an amendment to TECO's demand-side management customer education program); *In re: Petition for approval of waiver of CIAC Rule No. 25-6.064, F.A.C. for new line extensions serving electric vehicle fast charging stations, by Tampa Electric Company*, Docket No. 20200011-EI, Order No. PSC-2020-0108-PAA-EI, iss. April 16, 2020 (approving TECO's requested five year-pilot to lower installation costs for third party customers installing EV fast charging stations and thereby encourage more development of EV fast charging stations); *In re: Petition for rate increase by Gulf Power Company*, Docket No. 160186-EI, *In re: Petition for approval of 2016 depreciation and dismantlement studies, approval of proposed depreciation rates and annual dismantlement accruals and Plant Smith Units 1 and 2 regulatory asset amortization, by Gulf Power Company*, Docket No. 160170-EI, Order No. PSC-17-0178-S-EI, iss. May 16, 2017 (approving rate case settlement that included Gulf pilot program for utility ownership of EV charging stations and associated depreciation rates).

and rider, by Florida Power & Light Company, Docket No. 20190034-EI, Order No. PSC-2019-0220-TRF-EI, iss. June 3, 2019 (approving customer on-site back-up generation three-year pilot tariff for FPL, similar to previous pilot tariffs approved for Duke Energy Florida).