BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Florida Power & Light Company's	)	Docket No. 20200170
Petition for Approval of Optional Electric	)	
Vehicle Public Charging Pilot Tariffs	)	Date Filed: October 5, 2020

COMMENTS OF EVgo SERVICES LLC

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WRITTEN COMMENTS OF EVgo SERVICES, LLC

EVgo Services LLC (EVgo) hereby submits comments to the Public Service Commission (Commission) in Docket No. 20200170-EI, Florida Power & Light Company's (FPL) Petition for Approval of Optional Electric Vehicle Public Charging Pilot Tariff. EVgo appreciates the opportunity to provide written comments and looks forward to engaging with the Commission and other stakeholders in this docket.

Introduction

EVgo, a competitive supplier of electric vehicle (EV) charging infrastructure, operates America's largest network of public electric vehicle fast charging, with more than 800 DC fast charging (DCFC) locations across 34 states nationwide, including 35 sites across Florida. Currently, more than 115 million Americans live within a 15-minute drive of an EVgo fast charger. In early 2019, EVgo was proud to announce that it was the first North American charging network to be powered by 100% renewable. Most recently, EVgo announced a new partnership with General Motors, whereby EVgo will triple its DCFC network across 40 metropolitan areas over the coming years by building more than 2700 fast chargers across the country.[1] EVgo also works with other automakers, such as Nissan, to expand charging infrastructure in important EV markets.[2]

[1] EVgo, "General Motors and EVgo Aim to Accelerate Widespread EV Adoption by Adding Fast Chargers Nationwide" (July 31, 2020), https://www.evgo.com/about/news/general-motors-and-evgo-aim-to-accelerate-widespread-ev-adoption-by-adding-fast-chargers-nationwide/.

[2] EVgo, "Nissan and EVgo expand charging network with 200 new EV fast chargers" (August 6, 2019), https://www.evgo.com/about/news/nissan-and-evgo-expand-charging-network-with-200-new-ev-fast-chargers/.

Fast charging infrastructure is critical to reaching Florida's increasing population of EV drivers and is especially crucial to enable electrification for drivers without reliable access to charging at home or the workplace, including residents of multi-unit dwellings and EV drivers who take part in the gig economy (rideshare, light duty grocery and food delivery), all of whom rely on public charging for the majority of their charging needs. To achieve gains in EV adoption and help Florida achieve a more resilient transportation sector, rate reform is a central component of the solution set.

EVgo appreciates FPL's proposal as it signals the utility's collaborative approach in addressing a significant challenge to the deployment and scaling of third-party fast charging infrastructure: demand charges. FPL's proposal is a productive first step towards that objective. EVgo respectfully suggests the following modifications that would, if implemented, strengthen the utility's proposal:

1. Increase the proposed demand limiter of 75 hours to a limiter of 100 or 200 hours. This would be consistent with similar demand limiters adopted in other jurisdictions.
2. Increase the term (duration) of the pilot program to around 10 years in line with EV rates proposed in other jurisdictions.
3. Apply the demand limiter to both new and existing stations
4. Given that the role of the utility in owning and operating fast charging infrastructure has not yet been debated, EVgo suggests evaluating FPL's proposed tariff for Utility-Owned Public Charging (Rate Schedule UEV) during FPL's next rate case. EVgo notes the following concerns with adoption of a tariff before deliberations on the proper role of a utility in owning and operating charging infrastructure, including whether it is appropriate for the Electric Distribution Company (EDC) to get cost recovery to develop fast charging stations; whether a make-ready investment program is a more appropriate role for the utility; and whether there may be some combination of both (ownership and make-ready) that could be appropriate or needed, and if so, whether the

utility's role should be limited to certain market segments. EVgo looks forward to engaging further on this discussion in a subsequent proceeding.

FPL's Proposed tariff on third-party owned DC fast charging: Electric Vehicle Charging Infrastructure Riders (GSD-1EV and GSLD-1EV)

EVgo commends FPL for its leadership in developing the proposed tariff for third-party owned fast charging stations, which is an admirable first effort that will catalyze private sector investment in fast charging infrastructure in Florida. As noted in FPL's petition, "a lack of available public charging infrastructure"[3] is often cited as the biggest barrier to EV adoption. EVgo agrees, and as EVgo looks to triple the size of its public fast charging network over the coming years,[4] rate design is a critical component in the prioritization of its investments.

To date, demand charges make up for the largest portion of electricity costs borne by DCFC owner-operators. In FPL territory, demand charges currently make up approximately 90% of the total annual electricity costs. Affordable rate options that enable charging services to be competitive are a foundational step to encouraging third-party charging investments and greater EV adoption.

FPL's petition states "While the average cost per kWh in 2019 for the GSD-1 and GSLD-1 rate schedules was $0.09 per kWh, the effective cost per kWh was significantly greater for fast charge stations . . . For these stations demand charges create unfavorable operating economics. Fifty percent of stations paid between $0.33 and $1.33 per kWh, which put them in the top 99th percentile of GSD-1 and GSLD-1 customers with regard to energy average cost."[5] Therefore, it is important, as FPL is doing, to target an effective price per kWh for these DC fast charging stations and ensure the rate that DC fast charging

[3] *Petition by Florida Power & Light Company for Approval of Optional Electric Vehicle Public Charging Pilot Tariffs* (Petition), page 4.

[4] *See supra*, n. 1.

[5] Petition, p. 13.

owner-operators (customers) end up paying is not disproportionate to the typical or average commercial customer.

Around the country, Public Service Commissions have recognized that challenge and have approved a variety of EV charging specific tariff structures (Commercial EV rates), as well as technology-neutral low load factor rates applicable to any commercial customer with a specific load factor, including DCFC providers. These structures mitigate the outsized effect of demand charges on DC fast charging, which provides a barrier to the growth of third party networks.

FPL proposes to use a "demand limiter." which can be an effective mechanism for an EV rate and has been used in other utility territories. EVgo supports that methodology but suggests increasing the limiter from 75 to 200. This modification would be consistent with other utilities' demand limiter approach. Specifically, Virginia Dominion's standard commercial GS-2 rate includes a demand limiter mechanism which uses 200 hours as a threshold for non-demand billing versus demand billing.[6] Xcel Energy in Minnesota institutes a demand limiter of 100 hours as a standard rule for commercial customers on general service.

FPL explains that the "75-hour denominator was chosen to target an effective volumetric rate on demand and energy charges (excluding customer charge, taxes, and franchise fees) of approximately 20 cents per kWh, based on our current rates"[7] and relies on a comparison with the "estimated market price of fast charge service [providers] (~30 cents/kWh)". While EVgo can understand FPL comparing effective electricity price under the proposed tariff to a presumed average price for DCFC (based on a cursory look

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[6] *See* Virginia Electric and Power Company (now known as Dominion Energy) Schedule GS-2, Section III. https://cdn-dominionenergy-prd-001.azureedge.net/-/media/pdfs/virginia/business-rates/schedule-gs2.pdf?la=en&rev=ca651fa03bb44ed4acf86a71547ba786&hash=6EF6530D86014E12AB2986EFCD0FDA9B.

[7] FPL Response 11 to Staff's First Data Request.

at different providers of DCFC), EVgo cautions against this approach as it not appropriate and misunderstands the business and economics of DC fast chargers as well as differences among a variety of charging providers. There are many cost elements that are accounted for in the development and pricing structures of DCFC which EVgo explains in a recent white paper.[8] EVgo also cautions against assuming that it is appropriate for DC fast chargers to achieve the highest possible utilization – as may be the case with other customers of the commercial and industrial class. Higher usage sites often comes at the expense of the consumer experience, as customers may have to wait in line for a charge. The customer experience, or the ability of an EV driver to access fast and reliable charging without having to wait in line for a charge, is central to enabling a seamless transition to EVs.

EVgo appreciates FPL's proposal for a 5-year pilot as a marked improvement. However, EVgo recommends that the pilot be closer to 10 years so it aligns better with the typical useful life of a charger that would be implemented as a result of this tariff, as well as other utility commercial EV rates across the country[9] During this time, the utility, alongside DCFC providers can work hand-in-hand in gathering data and insight into the charging behavior and costs of these stations and be able to address any adjustments that are needed at the end of the pilot period and that could be implemented in the next generation of deployment. For example, after implementing their first Commercial EV rates, the California Public Utilities Commission is requesting for utilities to update their EV rates plans based on learnings from their

[8] Jonathan Levy, et al., "The Costs of EV Fast Charging Infrastructure and Economic Benefits to Rapid Scale-Up" (May 18, 2020), https://www.evgo.com/wp-content/uploads/2020/05/2020.05.18_EVgo-Whitepaper_DCFC-cost-and-policy.pdf.

[9] *See* NV Energy Schedule No. EVCCR-TOU, https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwi2_cmFmJzsAhXwgnIEHWNJAcEQFjABegQIBhAC&url=https%3A%2F%2Fwww.nvenergy.com%2Fpublish%2Fcontent%2Fdam%2Fnvenergy%2Fbrochures_arch%2Fabout-nvenergy%2Frates-regulatory%2Felectric-schedules-north%2FEVCCR-TOU_Electric_North.pdf&usg=AOvVaw0uzaDVy5MDq5o1XYClugIU, amended in PUCN Docket Number 20-03024 (April 7, 2020); A.19-07-006 (July 3, 2019), https://www.sdge.com/rates-and-regulations/proceedings/ev-high-power-charging-rate; and Southern California Edison Schedule TOU-EV-8 (August 29, 2018), https://library.sce.com/content/dam/sce-doclib/public/regulatory/tariff/electric/schedules/general-service-&-industrial-rates/ELECTRIC_SCHEDULES_TOU-EV-8.pdf.

initial EV rates.[10] Similarly, in Connecticut, Eversource was an early mover implementing a Commercial EV rate,[11] and most recently, the Connecticut Public Utility Regulatory Agency (PURA) has opened a proceeding to examine the next generation of EV rates based on learnings from its first rates.[12]

Finally, to ensure the tariff does not inadvertently discriminate against first movers, EVgo strongly urges the Commission to ensure the tariff is applicable to both existing and new charging stations.

FPL's Proposed Pilot Rate for Utility-Owned Public Charging for Electric Vehicles (UEV)

Because "FPL currently has no tariff for providing EV charging services directly to the public at FPL-owned fast charging stations," FPL proposes a tariff (UEV) to allow "FPL to sell public charging services to electric vehicle drivers at a volumetric rate of $0.30 per kWh." Further FPL states that its "proposed rate of $0.30 per kWh was chosen because it is 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."

While EVgo understands the rationale for creating a tariff associated with the deployment of fast charging stations, EVgo submits that this component of FPL's petition is premature, as currently there is no such Public Service Commission- (PSC)-approved program that grants FPL the ability to enter the DCFC market. Further, EVgo is unaware of a precedent elsewhere in the country whereby a tariff would get approved before Commission approval on utility-owned and operated stations funded by ratepayers. Therefore, discussions of this tariff are still premature.

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[10] Rulemaking 18-12-006, Draft Transportation Electrification Framework (February 3, 2020), https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M326/K281/326281940.PDF. See also, Kavya Balaraman, "California proposes 10-year transportation electrification planning process for SCE, other IOUs" (February 11, 2020) https://www.utilitydive.com/news/cpuc-10-year-transportation-electrification-planning-process/572066/.

[11] Connecticut PURA Docket No. 17-10-46RE01, Final Decision (March 6, 2019), p. 6.

[12] See generally, Connecticut PURA, Docket No. 17-12-03RE04, PURA Investigation into Distribution System Planning of the Electric Distribution Companies – Zero Emission Vehicles.

To date, there has not been a forum in Florida to discuss the appropriate role of EDCs in owning and operating DC fast charging infrastructure. EVgo would welcome the opportunity to engage in these discussions. One such avenue would be FPL's upcoming rate case, where FPL may seek to discuss its EVolution pilot, which among other things, would assess the appropriate utility role in FPL's targeted 90 fast chargers.[13] For example, across many jurisdictions, Public Service Commissions have embraced a "Shared Responsibility model," whereby the EDCs would own and operate the "make-ready infrastructure," or conduit and other electric infrastructure up to the charger, while leaving the ownership of the chargers, marketing, customer services, network operations, operations and maintenance, site development, and other services in the hand of private sector third party companies, such as EVgo.[14] Such result leverages utilities' strengths in infrastructure buildout, with the scale, learning and efficiencies that private developers have built over thousands of installs and hundreds of thousands of satisfied customers. In other jurisdictions, the utilities' role was defined as the "owner of last resort," serving only to fill gaps left by the private sector after a determined period.[15]

EVgo also cautions that the approach taken by the utility in the determination of the rate ($0.30/kWh) is misguided. The rate proposed benchmarks by only looking at one element of the economics of DCFC chargers, electricity costs. It compares its proposed effective rate with what the company's finds Tesla,

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[13] Jill Dvareckas, Director, Development, Florida Power & Light, Driving the future of EVs in Florida," https://southeastfloridaclimatecompact.org/wp-content/uploads/2019/09/FPL-Driving-the-Future-of-EVs-in-Florida.pdf, p. 8.

[14] The most recent examples from the 2020 summer alone include California, New Jersey, and New York. See, respectively, California Public Utilities Commission, Decision 20-08-045, p. 22, https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M346/K230/346230115.PDF; New Jersey Board of Public Utilities Docket No. QO20050357, p. 18, https://www.nj.gov/bpu/pdf/boardorders/2020/20200923/.pdf; and Order Establishing Electric Vehicle Infrastructure Make-Ready Program and Other Programs, Issued on 07/16/2020, available at: PSC Docket -Case 18-E-0138, - http://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterSeq=56005.

[15] NJ BPU Order, *supra*, n. 14, p. 26.

Electrify America, and EVgo charging for electricity at their Florida stations. This misunderstands the private sector owner-operator business model. As previously mentioned, the economics of fast charging account for other elements than just electricity costs and therefore may exclude other operating costs borne by private sector that must be reflected in its pricing. This pricing structure create an uneven playing field if the utility is granted the ability to recover costs for its public charging infrastructure. However, since that determination has not yet been made by the Florida PSC, EVgo recommends the discussion of utility-owned charger pricing be discussed in FPL's next rate case, where the merits of the Evolution pilot may be litigated.

It is important for the Florida PSC to ensure a fair, competitive and level playing field. Otherwise, the success of the proposed third-party owned tariff is in jeopardy, and worse the Florida PSC would have inadvertently given an unfair competitive advantage to a regulated entity, in what is a competitive market.

EVgo looks forward to engaging in discussions with the Commission and FPL to address these issues as to how a utility's role may complement that of a third-party operator. EVgo is also currently engaged in the Commission's docket in which the Commission has requested comments on the development of the EV Master Plan pursuant to SB 7018.

Conclusion

EVgo appreciates the opportunity to provide comments for the consideration of the Commission. EVgo also thanks FPL for taking the first step in addressing a critical barrier for widespread public charging deployment through its proposed Electric Vehicle Charging Infrastructure Riders. EVgo looks forward to further engagement to ensure a robust and resilient public charging infrastructure network for all Floridians.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Written Comments of EVgo SERVICES, LLC has been furnished to the parties of record and interested persons in Docket 20200170 on this 5th day of October, 2020.

s/ _____

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