



Dianne M. Triplett
DEPUTY GENERAL COUNSEL

April 2, 2024

VIA ELECTRONIC FILING

Mr. Adam J. Teitzman, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket 20240025-EI, Petition for Rate Increase by Duke Energy Florida, LLC

Dear Mr. Teitzman,

Attached for filing on behalf of Duke Energy Florida, LLC's ("DEF") in the above-referenced docket is the Direct Testimony of Tim Duff and Exhibit No. TJD-1

Thank you for your assistance in this matter. Please feel free to call me at (727) 820-4692 should you have any questions concerning this filing.

(Document 11 of 40)

Respectfully,

/s/ Dianne M. Triplett

Dianne M. Triplett

DMT/mw

Attachments

CERTIFICATE OF SERVICE

Docket No. 20240025-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail this 2nd day of April, 2024, to the following:

/s/ Dianne M. Triplett
Dianne M. Triplett

<p>Jennifer Crawford / Major Thompson / Shaw Stiller Office of General Counsel Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850 JCrawfor@psc.state.fl.us MThomпсо@psc.state.fl.us SStiller@psc.state.fl.us</p>	<p>Walt Trierweiler / Charles J. Rehwinkel / Mary Wessling / Austin Watrous Office of Public Counsel 111 W. Madison St., Rm 812 Tallahassee, FL 32399 rehwinkel.charles@leg.state.fl.us trierweiler.walt@leg.state.fl.us watrous.austin@leg.state.fl.us wessling.mary@leg.state.fl.us</p>
<p>Jon C. Moyle, Jr. Karen A. Putnal Moyle Law Firm, P.A. 118 North Gadsden Street Tallahassee, Florida 32301 jmoyle@moylelaw.com kputnal@moylelaw.com</p>	<p>Bradley Marshall Jordan Luebke Earthjustice 111 S. Martin Luther King Jr. Blvd. Tallahassee, Florida 32301 bmarshall@earthjustice.org jluebke@earthjustice.org</p>

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**In re: Petition for Rate Increase by
Duke Energy Florida, LLC**

**Docket No. 20240025-EI
Submitted for filing: April 2, 2024**

DIRECT TESTIMONY

OF

TIMOTHY J. DUFF

On Behalf of Duke Energy Florida, LLC

1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Timothy J. Duff, and my business address is 525 South Tryon Street, Charlotte,
4 NC 28201.

5
6 **Q. By whom are you employed, and what is your position?**

7 A. I am the General Manager, Grid Strategy Enablement for Duke Energy Business Services,
8 LLC (“DEBS”). DEBS provides various administrative and other services to Duke Energy
9 Florida, LLC (“DEF” or the “Company”) and other affiliated companies of Duke Energy
10 Corporation (“Duke Energy”).

11
12 **Q. Please describe your duties and responsibilities in that position.**

13 A. I am responsible for the development of strategies and policies related to the
14 implementation of Customer Solutions retail products and service offerings that are
15 designed to create customer and utility system value, such as offerings around customer
16 adoption of electric vehicles. I also oversee the analytics functions associated with
17 evaluating and tracking the performance of Customer Solutions retail products and
18 services. My responsibilities cover all of Duke Energy’s utility operating companies,
19 including DEF.

20
21 **Q. Please describe your educational background and professional experience.**

22 A. I graduated from Michigan State University with a Bachelor of Arts in Political Economics
23 and a Bachelor of Arts in Business Administration and received a Master of Business

1 Administration degree from the Stephen M. Ross School of Business at the University of
2 Michigan.

3
4 I started my career with Ford Motor Company and worked in a variety of roles within the
5 company's financial organization, including Operations Financial Analyst and Budget
6 Rent-A-Car Account Controller. After five years at Ford Motor Company, I started working
7 with Cinergy in 2001, providing business and financial support to plant operating staff.
8 Eighteen months later, I joined Cinergy's Rates Department, where I provided revenue
9 requirement analytics and general rate support for the company's transfer of three
10 generating plants. After my time in the Rates Department, I spent a brief time in the
11 Environmental Strategy Department, and then I joined Cinergy's Regulatory and
12 Legislative Strategy Department. After Cinergy merged with Duke Energy in 2006, I
13 served as Managing Director, Federal Regulatory Policy for four years. In that role, I was
14 primarily responsible for developing and advocating for Duke Energy's policy positions
15 with the Federal Energy Regulatory Commission. In 2010, I was named General Manager,
16 Energy Efficiency & Smart Grid Policy, and Collaboration. Since 2010, I have held a
17 number of positions related to analyzing and gaining regulatory approval of customer
18 product and service offerings, including energy efficiency ("EE") and demand response. I
19 assumed my current position in April 2021.

20
21 **Q. Have you testified before this Commission in any prior proceeding?**

22 A. Yes. I have provided both written and oral testimony before the Florida Public Service
23 Commission in Docket Nos. 20130200-EI, 20140002-EG, and 20140226-EI.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

Q. Do you have any exhibits to your testimony?

A. Yes. I have prepared or supervised the preparation of Exhibit TJD-1 – “Electric Vehicle Make Ready Credit Program.” This exhibit is true and accurate.

Q. Do you sponsor or co-sponsor any schedules in the Company’s MFRs?

A. Yes. I co-sponsor the following MFR schedules: B-7 (Plant Balances by Account And Sub-Account), B-8 (Monthly Balances Test Year – 13 Months), B-9 (Depreciation Reserve Balances By Account And Sub Account), B-10 (Monthly Reserve Balances Test Year – 13 Months), B-11 (Capital Additions and Retirements), and B-13 (Construction Work In Progress). These schedules are true and accurate, subject to their being adjusted in this proceeding.

II. PURPOSE AND TESTIMONY SUMMARY

Q. What is the purpose of your testimony in this proceeding?

A. My testimony updates the Commission regarding DEF’s electric vehicle (“EV”) pilot programs and initiatives and supports DEF’s EV-related request in this case.

Q. Please briefly summarize your direct testimony.

A. My testimony provides updates regarding DEF’s (1) deployment of electric vehicle service equipment (“EVSE”) within its service territory under the Park & Plug Pilot Program; (2) residential EV managed charging pilot program, known as “Off-Peak Credit,” and (3) Commercial & Industrial (“C&I”) Rebate Program. My testimony also supports DEF’s

1 proposed expansion of the Off-Peak Credit Program based on the pilot program’s success,
2 DEF’s request for Commission approval of the Electric Vehicle Make Ready Credit
3 Program (“MRC Program”) as an evolution and replacement of the C&I Rebate Program,
4 and, finally, DEF’s request to implement a new Fleet Advisory Program.

5
6 **III. FLORIDA FLEET ELECTRIFICATION & EV DEPLOYMENT**

7 **Q. Please describe the current EV landscape in Florida.**

8 A. The EV market in Florida continues to develop and grow. At the end of 2022, Florida had
9 168,000 EVs on the road,¹ second only to California. Growth in EV adoption is evident in
10 the Company’s footprint. At the end of 2020, there were approximately 14,500 registered
11 EVs in DEF’s territory. By the end of 2022, that number more than doubled to nearly
12 34,000. As of the end of September 2023, this number grew to more than 44,000 and is
13 ultimately expected to exceed 530,000 by the end of 2030, representing an annual growth
14 rate of 43% from 2020-2030.

15
16 In addition to the Company’s offerings, other Florida electric utilities are also delivering
17 EV programs. Florida Power & Light offers its EVolution® programs for charging
18 infrastructure installation and off-peak charging in the home as well as for public and fleet
19 charging infrastructure at non-residential customer sites. Tampa Electric Company’s Drive
20 Smart program provides funding and installation services for chargers at workplaces,
21 public and retail locations, multi-unit dwellings, income-qualified locations, and

¹ U.S. Dep’t of Energy, *Alternative Fuels Data Center – TransAtlas* (https://afdc.energy.gov/transatlas/#/?state=FL&year=2022&fuel=ELEC&view=vehicle_count) (last visited Jan. 23, 2024).

1 government locations. In short, Florida utilities have been serving and continue to serve as
2 important enablers of the EV transition that is underway in Florida.

3
4 **Q. What is DEF proposing as part of this case?**

5 A. DEF is proposing that its pilot Off-Peak Credit Program be modified and made permanent,
6 that participation limits for the program be removed, and that a program called Make Ready
7 Credit be implemented as a replacement for the current C&I Rebate Program. In addition,
8 DEF is proposing a Fleet Advisory Program to assist interested customers in understanding
9 the benefits of electrifying their commercial vehicle fleets.

10
11 **IV. PARK & PLUG**

12 **Q. Please describe the Park & Plug Pilot Program.**

13 A. The Commission approved the 2017 Settlement Agreement that included a provision
14 allowing DEF to initiate the Park & Plug Pilot Program (“Park & Plug”). Park & Plug,
15 which was designed to provide foundational public EVSE infrastructure to support EV
16 adopters, allowed DEF to install, own, and operate EVSE infrastructure for use by the
17 public within its territory.

18
19 **Q. Did the 2021 Settlement Agreement address the Park & Plug Pilot Program?**

20 A. Yes. The 2021 Settlement Agreement allows DEF to continue certain aspects of Park &
21 Plug. Specifically, the 2021 Settlement Agreement permits the Company to expand its
22 network of DC fast charging (“DCFC”) sites at locations that are sufficiently distant from

1 existing public fast charging infrastructure and to upgrade the equipment at existing DCFC
2 sites.

3
4 **Q. Has Park & Plug been a success?**

5 A. Yes. Park & Plug helped facilitate the installation of a foundational level of EV charging
6 infrastructure within the initial five-year pilot timeframe allotted within the 2017
7 Settlement Agreement and under the \$8 million allocated capital budget. Today, the
8 Company continues its work pursuant to the 2021 Settlement Agreement and, as of the end
9 of 2023, has contracted with fourteen site hosts for new installations and/or upgrades. Of
10 those, five sites have been completed and nine are in progress. Of the completed sites, four
11 sites are new, and one is an upgrade to a previously deployed site.

12
13 **Q. What lessons has DEF learned from the Park & Plug Program?**

14 A. Park & Plug has provided DEF with comprehensive data on EV charging utilization
15 characteristics within the DEF footprint. Detailed analysis on utilization trends and
16 program costs over time and across segments can be found in DEF's Annual Reports to the
17 Commission. One key takeaway from Park & Plug is that with the growth of the EV market
18 comes greater demand for and utilization of charging infrastructure. To that end, lessons
19 learned from Park & Plug are also actively leveraged to benefit both the state of Florida,
20 as it pursues deployment of National Electric Vehicle Infrastructure program ("NEVI")
21 sites, as well as private businesses that seek to deploy charging stations for public and
22 private use. The Company knows first-hand what it means to deploy and maintain EV

1 charging assets and, thus, is better positioned to serve its customers that seek to do the
2 same.

3
4 **Q. Is DEF proposing to expand the Park & Plug beyond the parameters outlined in the
5 2021 Settlement Agreement?**

6 A. No. The Company is not proposing any incremental site deployment beyond what was
7 approved in the 2021 Settlement Agreement. In fact, the Company’s current plans do not
8 include deployment of new DCFC sites pursuant to the limits of the 2021 Settlement
9 Agreement. Much has changed since Park & Plug began and, notably, since the 2021
10 Settlement Agreement. Federal government funding made available through the
11 Infrastructure Investment and Jobs Act (“IIJA”) has created a landmark opportunity for the
12 Florida Department of Transportation to spur activity from the private sector to deploy a
13 network of fast charging sites. As a result, Duke Energy Florida need not serve as a driving
14 entity to deploy and operate a public DCFC network.

15
16 **V. OFF-PEAK CREDIT PROGRAM**

17 **Q. Please describe the Off-Peak Credit Program proposal.**

18 A. The Off-Peak Credit Program provides a financial incentive to residential customers that
19 are not on a whole-home Time of Use (“TOU”) rate to engage in off-peak charging. In
20 exchange for avoiding on-peak periods when charging their EV at home, participants
21 receive a monthly electric bill credit. Participants may charge during on-peak hours up to
22 twice per month before forfeiting their credit for that month.

1 **Q. Has DEF implemented the Off-Peak Credit as a pilot program?**

2 A. Yes, the EV Non-Time of Use credit program described in the 2021 Settlement Agreement
3 has been implemented with the customer-facing name of Off-Peak Credit. The Off-Peak
4 Credit Pilot Program launched in January 2022. The pilot allows for 1,000 customers to be
5 added to the program per calendar year and provides a \$10 monthly credit to participants.

6
7 **Q. What is the current subscribership to the Off-Peak Credit Program?**

8 A. As of the end of 2023, the program had 2,000 enrolled participants. The enrollment cap for
9 the 2022 and 2023 calendar years was reached, and the same is expected for 2024.

10
11 **Q. Has the Off-Peak Credit Program been a success?**

12 A. Yes, resoundingly so. Not only is the pilot program hitting its enrollment caps, it is doing
13 so with limited marketing. Further, waitlists have been necessary to capture interested
14 customers so that they may be enrolled in subsequent years. Finally, the pilot is producing
15 results in terms of shaping EV charging behavior. As of December 2023, 65% of pre-
16 enrollment on-peak EV charging consumption has been moved to off-peak hours.

17
18 **Q. Please describe the updates DEF is proposing related to the Off-Peak Credit Program.**

19 A. Based on the success of the Off-Peak Credit pilot in attracting participants and in shifting
20 load, the Company proposes to progress from a pilot to a full program by removing the
21 1,000 incremental participant per year limit.

22
23 **Q. What participation is forecasted for the Off-Peak Credit Program?**

1 A. The program is expected to retain pilot participants as well as participants that have been
2 waitlisted due to the current pilot’s annual enrollment limits. Without the annual enrollment
3 limit, a full program is forecasted to enroll approximately 10,000 EVs in its first year of
4 full program participation. Steady growth over the remaining years is forecasted to result
5 in approximately 33,500 EVs by the end of 2028.

6
7 **Q. How did DEF forecast these participation amounts?**

8 A. The Company forecasts EV adoption using the Vehicle Analytics Simulation Tool
9 (“VAST”) modeling platform developed by Guidehouse. With this tool, the Company can
10 estimate the expected levels of light-duty vehicle adoption as a proxy value for the number
11 of consumer-driven EVs that will be in the DEF service territory. The Company estimates
12 that approximately 10% of incremental light duty EVs will enroll in the program by 2028.

13
14 **Q. Will the updates to the Off-Peak Credit Program be beneficial to all customers?**

15 A. Yes. The purpose of the Off-Peak Credit pilot was to test the ability of a simple program
16 structure to incent customers to modify their charging behavior. Specifically, the Off-Peak
17 Credit Program aims to prevent – and the pilot has proven successful at preventing – EV
18 load during system peak hours. For customers not on TOU rates, this results in system
19 revenues that are steady, while system costs are reduced, thereby creating downward
20 pressure on rates. Additionally, the management of on-peak EV charging can have the
21 benefit of delaying the replacement of system assets, such as transformers, that serve
22 groups of homes, thus deferring costs.

1 **VI. COMMERCIAL & INDUSTRIAL REBATES**

2 **Q. Please describe the C&I Rebates Program.**

3 A. The C&I Rebates Program provides a financial incentive to C&I customers that install EV
4 charging stations behind a separate meter and take service on rate schedule GST-1, a non-
5 demand TOU rate schedule.

6
7 **Q. Did DEF implement the C&I Rebates Program as a pilot?**

8 A. Yes. Consistent with the Commission's Order approving the 2021 Settlement Agreement,
9 DEF piloted the C&I Rebates Program. The program began in January 2022 and paying
10 varying rebate amounts to C&I customers depending on the segment (or use case) of the
11 EV charger.

12
13 **Q. What is the current participation in the C&I Rebates Program?**

14 A. Currently, the program has minimal participation with three commercial customers and a
15 total of 26 EV chargers installed. The overwhelming majority of chargers supported by the
16 program and associated funding has gone to electric school bus DC fast chargers, but two
17 public DC fast chargers are also included. Fourteen customers are pre-approved, and
18 chargers are pending installation by the respective customers with a total of 79 EV chargers
19 eligible for the C&I rebate. Pending segments of participation include Level 2 for public,
20 workplace, multi-unit dwelling and fleet use, as well as DC fast charging for public, fleet
21 and school bus use.

22
23 **Q. Has the C&I Rebates Program been as successful as expected?**

1 A. Unfortunately, no. Original projections for the program’s first two years of operation were
2 that approximately \$8.6 million in customer incentives for 1,420 chargers would be
3 distributed to participants. Twenty-six chargers are currently installed with 79 EV chargers
4 that are pending installation.

5
6 One likely reason for customers electing to not participate in the program was the former
7 requirement that the chargers be placed on rate GST-1. The Company implemented a
8 change to this requirement as of November 2023 and will continue to monitor participation
9 to identify if there will be meaningful results from this change. Prospective participating
10 customer feedback also indicated that participation was negatively impacted because EV
11 charger installation costs were viewed as too high, despite available incentives. Finally,
12 some customers did not provide certain requested information and therefore did not
13 complete the application process. Thus, those associated rebates were not processed. To
14 eliminate this potential barrier to participation, the Company plans to develop an online
15 checklist to guide customers before and during the application process.

16
17 **Q. What does DEF propose regarding the C&I Rebates Program going forward?**

18 A. The Company continues to explore options and alternatives to enhance the participation
19 and offerings for EV programs. However, because the Company believes the modifications
20 made to the program should improve its uptake among C&I customers in 2024, DEF
21 proposes to replace the program in 2025 when new rates become effective. The magnitude
22 of program incentive amounts for several segments are believed to be insufficient to drive

1 meaningful participation. Additionally, the C&I-focused program inherently does not
2 assist residential customers seeking to safely install infrastructure to support EV charging.

3
4 As discussed below, the Company proposes to deploy a Make Ready Credit (“MRC”)
5 Program as the replacement for C&I Rebates.

6
7 **VII. MAKE READY CREDIT PROGRAM**

8 **Q. Please provide an overview of the MRC Program.**

9 A. The MRC Program aims to simplify EV adoption and charging by providing an incentive,
10 in the form of a credit on a customer’s bill or a payment to a contractor, for the installation
11 of the infrastructure needed to bring safe electrical service to EV charging hardware and,
12 at the discretion of the customer, by providing a contractor to perform the work. The credits
13 are designed to defray a portion of EV “make ready” expenses related to the installation of
14 infrastructure necessary to support EV charging.

15
16 **Q. Who is eligible for the MRC Program?**

17 A. As I describe more fully below, the MRC Program is available to both residential and non-
18 residential DEF customers that install at their premises or place of business the wiring and
19 circuitry required for a Level 2 or higher-powered EVSE(s). The MRC Program is also
20 available to pre-approved homebuilders constructing homes that are served by the
21 Company’s distribution system and at which the homebuilder is installing Make Ready
22 infrastructure.

1 **Q. Will DEF own the MRC Program infrastructure?**

2 A. No. The Company will not own the Make Ready infrastructure associated with the MRC
3 Program.

4
5 **Q. Please explain the residential credit under the MRC Program.**

6 A. A residential customer may receive credits for Make-Ready infrastructure either through a
7 reduction in the price charged by a contractor that has been approved by the Company (the
8 “Contractor Credit Option”) or through a direct application submitted to the Company by
9 the customer (the “Customer Credit Option”). These credits for residential customers will
10 not exceed the estimate of the aggregate increase in electric revenue for the first four years
11 following installation of the newly installed charger.

12
13 **Q. Please describe the Contractor Credit Option.**

14 A. Under the Contractor Credit Option, a residential customer seeking installation of a
15 qualifying charging station and Make-Ready infrastructure at the customer’s premises
16 selects a contractor that has been approved by the Company for participation in this
17 program. A list of such approved contractors will be available on the Company’s website.
18 The contractor must contact the Company to determine the amount of the customer’s Make
19 Ready infrastructure credit based on information provided by the customer, again, not to
20 exceed the estimate of the aggregate increase in electric revenue for the first four years
21 following installation of the newly installed charger. The contractor is then responsible for
22 including the Make Ready infrastructure credits in the price quoted to the customer for

1 Make Ready infrastructure installation. The customer is responsible for providing the
2 contractor and/or third-party vendor with evidence of EV registration.

3
4 After the Company receives and reviews an application for completeness, the Company
5 will, subject to the terms and conditions of this program, make a payment to the contractor
6 in the amount of the calculated make ready infrastructure credits.

7
8 **Q. Please describe the Customer Credit Option application process.**

9 A. Customers requesting participation in the MRC Program through the Customer Credit
10 Option must first file an application with the Company. The application requires the
11 customer to provide, among other information:

- 12 1. Detailed invoice(s) from the contractor for Make-Ready infrastructure.
13 Each invoice from the contractor must include separate line items for labor
14 and materials and the contractor's name, address, and telephone number;
- 15 2. A copy of the approved permit from the municipal or local permitting
16 authority; and
- 17 3. Evidence of EV registration.

18 The sum of the costs for Make-Ready infrastructure stated in the invoice(s) submitted with
19 the application are considered the "Demonstrated Costs" subject to crediting; provided,
20 however, that the Demonstrated Costs shall not include any amounts for which the
21 customer expects coverage or reimbursement from a third-party funding source. It is not
22 the intention of the MRC Program to provide credits to defray expenses for which the

1 customer expects to receive third-party funding. To be eligible for credits under this
2 Program, the application must be submitted within 120 days following the later of:

- 3 1. The date on the most recent invoice included with the application; or
- 4 2. The date of EV registration.

5 After the Company receives and reviews an application for completeness, including but
6 not limited to the submission of items 1-3 listed above, as applicable, the Company will,
7 subject to the terms and conditions of this program, provide Make Ready infrastructure
8 credits to the customer in the form of a check.

9 **Q. Please explain the Homebuilder option.**

10 A. The Company will provide an incentive of \$150.00 to a homebuilder approved by the
11 Company for participation in this Program, if that homebuilder is constructing a home
12 served by the Company's distribution system and if the homebuilder demonstrates, through
13 an application and satisfactory documentation, that it has installed Make Ready
14 infrastructure in a convenient location for residential EV charging. This Program provision
15 differs from other avenues in that available MRC credits are predicated solely on the cost
16 of installing Make Ready infrastructure. This cost is anticipated to be significantly lessened
17 during original construction – as compared to a retrofit scenario under the Customer and
18 Contractor options – and thus limits program expense.

19
20 **Q. Please explain the non-residential MRC Program.**

21 A. To participate in the non-residential MRC Program, an interested customer must file an
22 application with the Company. The application will require the customer to provide, among
23 other information:

1. Detailed invoice(s) from the contractor for Make Ready infrastructure. Each invoice from the contractor must include separate line items for labor and materials and the contractor's name, address, and telephone number;
2. For all installations involving installation of more than one charging station or Level 3 or higher charging station, a schematic diagram of the installation;
3. A copy of the approved permit from the municipal or local permitting authority; and
4. A completed customer usage profile form.

The application must be submitted within 120 days following the later of:

1. The date on the most recent invoice included with the application; or
2. The date listed on the approved permit.

The sum of the costs for Make Ready infrastructure stated in the invoice(s) submitted with the application are considered the "Demonstrated Costs" subject to crediting; provided, however, that "Demonstrated Costs" shall not include any amounts for which the customer expects coverage or reimbursement from a third-party funding source. Again, the Program is not designed to provide credits to defray expenses for which the customer expects third-party funding. The customer must acknowledge that a Company representative may, with reasonable advance notice, access the customer's charging station installation to verify compliance with the terms of this Program.

1 After the Company receives and reviews an application for completeness, including but
2 not limited to the submission of the items listed above, as applicable, the Company will,
3 subject to the terms and conditions of this program, provide Make Ready infrastructure
4 credits to the customer in the form of a check. The Company will determine the Make
5 Ready infrastructure credit amount based on the completed customer usage profile form
6 and the expected increase in revenue to be achieved through such usage for the first four
7 years of operation, with the revenue credits not to exceed the Demonstrated Costs.

8
9 **Q. Why is DEF proposing the MRC Program in this case?**

10 A. The Company believes that the proposed MRC is an attractive replacement for the C&I
11 Rebate Program. The MRC Program simplifies EV adoption and charging for customers
12 through revenue credits that defray a portion of EV Make Ready expenses. The MRC
13 Program also provides fixed incentives to approved homebuilders installing Make Ready
14 infrastructure for new residential construction. Finally, with the available Contractor Credit
15 Option, the MRC Program will facilitate the safe installation of Make Ready infrastructure
16 for residential customers that may have concerns regarding higher voltage installations.

17
18 **Q. Please compare the credit amounts for the MRC Program with the C&I Rebate
19 Program.**

20 A. The table below shows the per segment rebate and/or credit maximums for each eligible
21 use case.

Segment	C&I Rebate Amount	Make Ready Credit Amount
---------	----------------------	-----------------------------

Single Family Home Residential	N/A	\$744
Public Level 2	\$627	\$1,158
Multi-Unit Dwelling Level 2	\$304	\$1,158
Workplace Level 2	\$434	\$2,341
Fleet Level 2	\$1,175	\$4,487
Public DC Fast Charger	\$4,195	\$9,122
Multi-Unit Dwelling DC Fast Charger	N/A	\$9,122
School Bus DC Fast Charger	\$20,889	\$16,270
Transit Bus DC Fast Charger	\$24,423	\$26,161
Fleet DC Fast Charger	\$35,600	Custom Calculation
Forklift Fast Charger	\$3,200	Custom Calculation
Truck Refrigeration Unit	\$1,591	Custom Calculation

1 **Q. How are credits for the MRC Program calculated?**

2 A. As briefly discussed above, the determination of Make Ready credits (other than the
3 Homebuilder Option) is based upon the consumption and demand expected from EV
4 charging installations. The Company utilized data from the Charge Florida Residential
5 Load Measurement Program to estimate residential EV charging load shapes and annual
6 energy consumption. Based on that data, the Company estimates that customers utilize an
7 average of approximately 2,700 kilowatt hours (“kWh”) per year (or 225 kWh per month)
8 to charge their EV at home. To calculate the maximum credit for a residential customer,
9 the Company utilized this yearly average kWh number to calculate the estimated kWh that
10 a residential customer would use to charge their EV over a four-year period. The Company

1 multiplied the estimated annual kWh for that four-year period by the current residential
2 time of use (RST-1) off-peak base energy rate. The credit calculation follows the long-
3 established Contribution in Aid of Construction (“CIAC”) credit methodology, which
4 limits the maximum credit to four years of base revenue.

5
6 For the non-residential portion of the MRC Program, the Company utilized data from Park
7 & Plug charger deployments to determine EV charging load shapes and estimates of energy
8 consumption by usage segment. The Company then multiplied the estimated annual kWh
9 for four years by the current general service non-demand (“GSD”) base energy and demand
10 rates. Using the results, for loads less than 50 kilowatts, the Company is proposing standard
11 maximum credits for the following segments: Public Level 2, Workplace Level 2, Fleet
12 Level 2, Multi-Family Level 2, Public DCFC, School Bus DCFC, Transit Bus DCFC, and
13 Multi Family DCFC. For charging installations with more than 50 kilowatts aggregate load,
14 the calculations, following the same process, will be performed on a case-by-case basis
15 using information from the Customer Usage Profile form.

16
17 **Q. Please explain the projected costs of the MRC Program and how DEF is proposing to**
18 **recover MRC Program costs.**

19 A. As detailed in Exhibit TJD-1, the Company determined the costs by multiplying the
20 proposed revenue credits by the forecasted number of installations for each MRC option.
21 The Company is requesting that the actual credits incurred be deferred as a regulatory asset
22 and amortized over 48 months beginning in the month following the credit. The Company
23 has also included estimated program administration costs and additional revenues resulting

1 from this program. Exhibit TJD-1 provides the estimated costs and revenues for this
2 program, and Company witness Marcia Olivier discusses how this MRC Program was
3 incorporated in DEF's cost of service.
4

5 **Q. Is DEF proposing any parameters to control the costs of the MRC Program?**

6 A. Yes. The Company is proposing ceilings or upper limits for the MRC on a per charger
7 basis. With these upper limits, the credit paid per charger shall not exceed the lesser of the
8 four-year revenue calculation described above or the customer's demonstrated cost of
9 installing Make Ready infrastructure. Demonstrated costs include physical upgrades
10 necessary to bring power to a charger location on the customer side of the meter.
11 Demonstrated costs may not include permits, installation of the EV charger, or the charger
12 itself. Further, demonstrated costs must be documented appropriately by invoice to the
13 participating customer.
14

15 Demonstrated costs cannot include any external funding that the participating customers
16 are able to secure. For example, many non-residential customers could seek funding from
17 one of many federal programs brought about by the IIJA. The MRC Program serves as a
18 complement to such funding but does not duplicate it. Participants can receive credits only
19 for out-of-pocket make-ready infrastructure costs.
20

21 **Q. Will the MRC Program benefit all customers?**

22 A. Yes. While the Company is proposing to pay the MRC credits to participating customers
23 based on the first four years' estimated revenue, the ongoing increase in energy

1 consumption will continue to add revenue to the system beyond that four-year period
2 without adding cost to the system. The resulting downward pressure on rates is a benefit to
3 all customers.

4
5 **Q. Please discuss any additional benefits that result from the MRC Program.**

6 A. In addition to simplifying the process of electrification for all customer segments, the MRC
7 Program supports safety, promotes grid readiness, and is a conduit for EV load
8 management. The program supports safety of EV installations because participation in the
9 program requires an installation that has been permitted and inspected appropriately by the
10 local authority having jurisdiction. In doing so, the program provides an incentive to
11 leverage qualified installers and follow local codes and regulations, which provide inherent
12 safeguards. Grid readiness and stability is also enabled by the program because the location
13 of participating EV chargers becomes known by the Company. Inasmuch as all customers
14 are encouraged to notify the Company if they install additional loads at their home or
15 business, they do not always do so. The MRC Program provides motivation for customers
16 to engage the Company as they add EV charging loads. Finally, engagement in the MRC
17 Program also affords the Company an ability to market EV load management offerings to
18 known EV charging customers. Today, these programs include TOU rates and the Off-
19 Peak Credit Program for residential customers. In the future, other offerings, including
20 potential rates and programs for non-residential use cases, may also be presented to
21 customers that are identified because of their participation in the MRC Program.

1 **Q. Does the MRC Program support the competitive EV charging market?**

2 A. Yes, in addition to easing the transition to EV for customers, the MRC Program supports
3 the competitive market because it provides funding irrespective of the installation,
4 hardware, and/or software provider(s) a participating customer chooses. Additionally, the
5 MRC Program is agnostic to the EV charger ownership model deployed at a given site. A
6 participating customer may choose to buy their own equipment, lease equipment from a
7 third party, or host equipment from an EV charging network operator.

8
9 **VIII. FLEET ADVISORY PROGRAM**

10 **Q. Please provide an overview of DEF's Fleet Advisory Program.**

11 A. The Fleet Advisory Program is an opportunity for fleet managers to effectively assess the
12 economics and the complex logistical nuances of transitioning to electric vehicles. This is
13 also an opportunity for DEF to learn more from the fleet operators to determine what is
14 most important to them and how DEF can help ease the transition. This relationship will
15 help serve to better understand barriers to electrification and provide DEF with an
16 opportunity to build informed offerings that will help accelerate fleet electrification and
17 contribute to meeting the decarbonization goals for businesses, communities, and the
18 nation. In this program, DEF seeks to meet the fleet operator where they are on their
19 electrification journey. The program is flexible, in that it can more directly assist the
20 customer and vendor complete a fleet assessment or can be removed from the study
21 activities based on customer preference and timing. Benefits will include developing a
22 customer road map to electrification along with a capacity analysis for grid support along

1 affected circuits. Additionally, the Company will establish a relationship specific to the
2 customer's electrification projects, which often take years of planning and implementation.

3
4 **Q. Please describe the Fleet Advisory Program.**

5 A. The Fleet Advisory Program will provide DEF non-residential customers operating fleets
6 with the opportunity to have a comprehensive analysis completed for switching their fleet
7 vehicles to EVs. This analysis will highlight the total cost of ownership savings available
8 to fleets through conversion to EVs, among other benefits. Through the Fleet Advisory
9 Program, the Company proposes two options for customers. For customers that have an
10 advisory vendor of their own, they may participate by sharing the required study
11 information with the Company. Alternatively, the Company also intends to have a list of
12 qualified vendors who are trained on program requirements, with which customers can
13 contract for advisory studies. The studies will have a maximum per participant funding
14 amount of \$12,000, which supports a minimum of 236 fleets to receive benefits from the
15 program. Total program spending is capped at \$3,300,000 over three years. DEF
16 determined the rebate amount using data from comparable programs filed in other
17 jurisdictions, and participation estimates were calculated using Company data on fleet
18 customers and public data regarding fleet makeup.

19
20 **Q. Please further describe the Fleet Assessment Options available to customers under
21 the program.**

22 A. Customers participating in the program will have the option to use a program vendor or
23 have a vendor of their choice complete a study of their fleet. Customers choosing to utilize

1 the program vendor option will select a program vendor that has been approved by the
2 Company for participation in this program to complete a study. The Company will pay the
3 vendor \$12,000 for the study, and the customer will be responsible for amounts over the
4 \$12,000. Customers choosing to utilize a vendor of their choice will select a vendor,
5 complete a study, and receive a credit for sharing the study and its data with DEF.
6

7 **Q. What are the participation parameters for customers to qualify for the program?**

8 A. Participation will be available on a first-come, first-served basis to non-residential
9 customers receiving electric service from DEF. Participants must operate a commercial
10 vehicle fleet from their electric service premises. Examples may include schools, transit
11 agencies, logistical companies, municipal fleets, rural transport companies, hospitals,
12 universities, airports, service providers, and non-profit entities. Participants must meet
13 minimum requirements for fleet vehicle size to ensure study results provide beneficial
14 learning and overall customer benefit. The minimum fleet size required to participate are:
15 twenty or greater light-duty vehicles (Class 3 and below), or five or greater medium/heavy-
16 duty vehicles (Class 4 and above), or a fleet with ten or greater vehicles in the light and
17 medium/heavy duty classifications combined. The minimum fleet size requirements apply
18 to vehicles that will be primarily charged at a DEF service territory location, vehicles
19 charging outside of DEF territory will not count toward minimum participation amounts.
20

21 For qualifying fleet operators utilizing a vendor of their choice, the customer is responsible
22 for selecting a vendor and ensuring the study meets certain minimum study requirements
23 and learnings to qualify for funding. Minimum study requirements include total cost of

1 ownership savings for all fleet on-road vehicles, including any fuel and maintenance
2 savings, capital cost differences between traditional internal combustion engines and EVs,
3 and the cost of EVSE installations. The studies must also include the quantity of chargers,
4 the location, the charging levels, and the recommended charging power rate, for the
5 vehicles being recommended for conversion. The studies must include education about
6 managed charging benefits and potential options for fleets to reduce costs through available
7 DEF rates. Studies must also highlight the potential Green House Gas (“GHG”) emissions
8 reductions from conversions to EVs. Customers must agree to share the study and all
9 related data with the Company prior to receiving funding. Completed studies must include
10 EV and EVSE data that is no older than 2024 to qualify.

11
12 **Q. What benefits does the Program provide for participants?**

13 A. Program participants will benefit by receiving a study and analysis establishing a roadmap
14 for fleet electrification, learning about the potential total cost of ownership and savings
15 from switching to electric vehicles, receiving a plan for future charging infrastructure
16 needs, learning about available incentives for EVs and EVSE, understanding their carbon
17 footprint and potential reduction, and learning about the opportunities and benefits of
18 managed charging and available rate structures. These benefits will be provided by the
19 knowledgeable electrification industry experts delivering the fleet studies. Additionally, by
20 sharing the data from the study with the Company, participants will build a relationship
21 that will benefit them as they work on long-term plans to deploy EVs in their fleet. This
22 relationship will further benefit the customer with scheduling and planning to help avoid
23 long delays in grid upgrades, which can take years to accomplish.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

Q. Is Duke Energy Florida proposing any parameters to control the costs of the fleet advisory program?

A. Yes, the studies will be limited to a maximum funding of \$12,000 per participant. Incentive amounts for participants could be lower than maximum if the study cost is less than the maximum amount. The qualifying incentive amount will be the invoiced amount a customer paid for a study, up to \$12,000. More studies will be completed if multiple incentives are awarded for less than the maximum amount; however, total costs will be limited to the total program budget.

Q. Does the Fleet Advisory Program support the competitive EV charging market?

A. Yes. This program is open to all vendor studies through the customer choice option and is agnostic towards manufacturers of EVs and EVSE. Customers can research and partner with vendors of their choice and serve their unique needs with equipment they purchase as they electrify.

Q. Does the Fleet Advisory Program provide benefits to non-participants?

A. Yes. Both participants and non-participants benefit from this program. Non-participants are comprised of non-fleet customers and the communities in which fleets operate. All non-participants benefit from the downward pressure on rates from the increase in consumption that EVs bring to the grid. Additionally, data collected from the program will be proactively used to efficiently ready local circuits for future EV load growth through capacity analysis and outreach. The Company plans to perform outreach to fleet customers on the same

1 circuit as participants inquire about plans for fleet EV load additions. That information will
2 be used to plan for upgrades along the circuit, factoring in all customers to avoid duplicative
3 work as fleets connect chargers over time.

4
5 **IX. CONCLUSION**

6 **Q. Does that conclude your testimony?**

7 A. Yes.

ELECTRIC VEHICLE MAKE READY CREDIT PROGRAM

1. MAKE READY CREDITS:

	Credit per Install	2025 Installs	2025 Total Credits	2026 Installs	2026 Total Credits	2027 Installs	2027 Total Credits
Residential							
5 Year Revenue Credit - L2	\$744	2,851	\$2,122,648	4,272	\$3,180,531	6,279	\$4,674,428
New Home Builder - L2	\$150	713	106,919	1,068	160,206	1,570	235,454
		<u>3,564</u>	<u>\$2,229,568</u>	<u>5,340</u>	<u>\$3,340,737</u>	<u>7,848</u>	<u>\$4,909,882</u>
MFD Non-Residential							
5 Year Revenue Credit - L2	\$1,158	119	\$137,541	178	\$206,089	262	\$302,888
5 Year Revenue Credit -DCFC	\$9,122	13	116,241	18	160,670	24	221,048
		<u>132</u>	<u>\$253,782</u>	<u>196</u>	<u>\$366,759</u>	<u>286</u>	<u>\$523,936</u>
Non-Residential							
Public L2 Charger	\$1,158	475	\$550,164	712	\$824,354	1,046	\$1,211,554
Workplace L2 Charger	\$2,341	119	278,161	178	416,791	262	612,558
Fleet Level L2 Charger	\$4,487	475	2,132,000	712	3,194,544	1,046	4,695,022
Public DCFC	\$9,122	25	232,481	35	321,341	48	442,095
School Bus - DCFC	\$16,270	25	414,647	35	573,134	48	788,508
Transit Bus - DCFC	\$26,161	25	666,739	35	921,580	48	1,267,895
Custom Calculation - DCFC	\$20,000	38	764,581	53	1,056,819	73	1,453,954
		<u>1,184</u>	<u>\$5,038,774</u>	<u>1,761</u>	<u>\$7,308,563</u>	<u>2,573</u>	<u>\$10,471,586</u>
Total Annual Make Ready Credits		<u><u>4,879</u></u>	<u><u>\$7,522,124</u></u>	<u><u>7,296</u></u>	<u><u>\$11,016,059</u></u>	<u><u>10,707</u></u>	<u><u>\$15,905,404</u></u>

2. INCREMENTAL REVENUE:

	Base Rate	2025 Incremental MWh	2025 Incremental Revenue	2026 Incremental MWh	2026 Incremental Revenue	2027 Incremental MWh	2027 Incremental Revenue
Residential	\$68.95	5,212	\$359,389	17,433	\$1,201,989	35,520	\$2,449,080
Non-Residential	\$71.18	6,919	492,500	19,988	1,422,755	40,565	2,887,386
Total Annual Incremental Revenue		<u><u>12,131</u></u>	<u><u>\$851,889</u></u>	<u><u>37,421</u></u>	<u><u>\$2,624,744</u></u>	<u><u>76,084</u></u>	<u><u>\$5,336,466</u></u>

3. INCREMENTAL O&M:

	Per Install	2025 Installs	2025 O&M	2026 Installs	2026 O&M	2027 Installs	2027 O&M
Transaction Costs	\$16.25	4,879	\$79,290	7,296	\$118,571	10,707	\$173,991
Annual Program Costs			1,048,169		1,048,169		1,048,169
Total Annual Incremental O&M			<u><u>\$1,127,459</u></u>		<u><u>\$1,166,740</u></u>		<u><u>\$1,222,160</u></u>