

# I. Meeting Packet



**State of Florida**  
**Public Service Commission**  
**INTERNAL AFFAIRS AGENDA**

Tuesday – January 24, 2023

9:30 AM

Room 148 - Betty Easley Conference Center

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1. Public Utility Research Center 2022 Annual Report to the Florida Public Service Commission by Dr. Mark Jamison. (Attachment 1)
2. Legislative Update
3. General Counsel's Report
4. Executive Director's report
5. Other Matters

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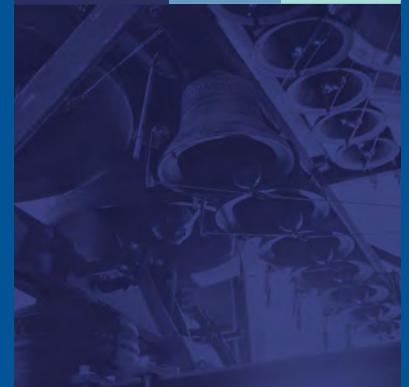
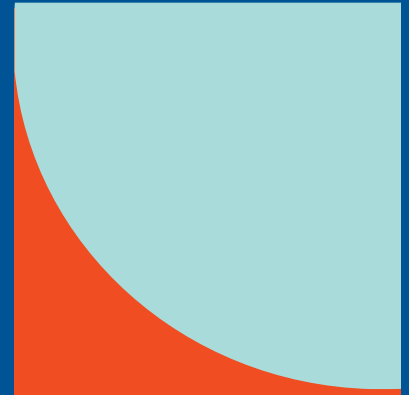
OUTSIDE PERSONS WISHING TO ADDRESS THE COMMISSION ON  
ANY OF THE AGENDAED ITEMS SHOULD CONTACT THE  
OFFICE OF THE EXECUTIVE DIRECTOR AT (850) 413-6463.



# ANNUAL REPORT 2022

## Update on PURC Research and Outreach

This update on PURC research and outreach is intended to serve as an overview for FPSC commissioners and professional staff. At the end of this summary is a list of recent research papers that are also available through the research papers search engine on the PURC website at [www.purc.ufl.edu](http://www.purc.ufl.edu). We truly appreciate the support of the FPSC and welcome opportunities for future collaboration.



# PURC 2022 Annual Report to the Florida Public Service Commission

## UPDATE ON PURC RESEARCH AND OUTREACH

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# PURC 2022 Annual Report to the Florida Public Service Commission

## UPDATE ON PURC RESEARCH AND OUTREACH

### STATISTICS AND HIGHLIGHTS

#### Statistics

- 8 Training Courses providing 197 hours of in-person classroom instruction
- 41 blog posts
- 9 working papers and journal articles
- 6 opinion editorials
- 20 presentations, panels, and events

#### Plans for 50<sup>th</sup> Annual PURC Conference, February 22 – 23, 2023

We are excited to host our 50<sup>th</sup> Annual Conference, *Getting to Zero: Creating New Ways Forward* in Gainesville, Florida. The audience and speakers will consider the goals utilities are setting and the strategies they are using to reach them; the role local government and the state play to ensure that broadband expansion policies are successful; the impacts of Florida’s increasing reliance on the electric grid for transportation, communications, and other services; and more. We look forward to seeing you in Gainesville next month!

#### 50<sup>th</sup> and 49<sup>th</sup> PURC/World Bank International Training Program on Utility Regulation and Strategy

We hosted our flagship PURC/World Bank International Training Program on Utility Regulation and Strategy, November 14 – 23 and June 6 – 15, 2022. We welcomed 100 participants from 27 countries to Gainesville for these two programs. Since its inception in 1997, this program has educated more than 3600 professionals representing 156 nations. In addition to the program, select participants completed the **PURC Leadership Workshop: Practicing Leadership in a Political Environment** on November 20 and June 12, 2021.



### **Energy Secure Philippines Virtual Meeting Series and Executive Exchange Program**

PURC hosted this series and program to assist the Government of the Philippines (GPH) in promoting a more competitive power sector through investment mobilization, deployment of modern energy technologies, and support in policy reforms and regulation. This activity, funded by USAID focused on such topics as planning for storms, storm hardening, integration of new technologies to the grid, and financial sustainability and resilience. The work highlighted Florida's leadership in storm hardening following the 2004 and 2005 storm season. We appreciate Chairman Fay's participation in the Executive Exchange Program.

### **49th Annual PURC Conference (2022)**

The 49<sup>th</sup> Annual PURC Conference, "Unlocking Innovation: Keys to Getting it Right" examined how utility companies and policy makers have and continue to juggle challenges, political pressure, and environmental concerns as well as pandemic-related emergencies and shortages. The conference was held in-person, February 23 – 24, 2022. We appreciate the 17 PSC colleagues that attended the conference and for the keynote provided by Commissioner La Rosa.

### **Florida Broadband Strategic Plan**

PURC assisted the Florida Department of Economic Opportunity draft the state's strategic plan for broadband. The plan includes 25 strategies for increasing broadband availability, adoption, and use, as well as means for holding organizations accountable for carrying out the plan. PURC's research team conducted 60 interviews, reviewed over 125 documents, and analyzed multiple data sets. The plan is available on the Department's website.

### **Digital Markets Initiative (DMI)**

DMI examines the business and regulatory implications of the growth of digital markets. In 2022, PURC faculty engaging with various media outlets and podcasts, which can be viewed online in the [Warrington newsroom](#). DMI research on competition between the Apple and Google app ecosystems became a working paper for the American Enterprise Institute, was widely circulated on Capitol Hill and received two top ten download awards from the Social Sciences Research Network (SSRN). Other research is examining how broadband affects entrepreneurship and employment by gender and race. This research also received a top ten download award from SSRN. New research is examining the effects of customer reviews on the success of apps and how vertical integration in app stores affects non-affiliated app developers,

### **Op-Ed Snapshot & Popular Blogs**

- "Here's Why Florida Should Provide Broadband Leadership," Tallahassee Democrat
- "Congress Could Weaken U.S. Competitiveness with The Two Bills," The National Interest
- "As Hurricane Ian nears, Florida's grid should benefit from lessons of the past," The Hill
- "Russians Need More Access to Internet Content, Not Less. Social Networks Should Re-open There," RealClearPolicy

- “Rail Regulators Should Heed the Lessons of Aggressive Telecom Rules,” RealClearMarkets
- “What Social Media Regulations Could Look Like. Think of Pipelines, Not Utilities,” The Conversation



## PRIMARY RESEARCH PROJECTS

### ENERGY

#### **Can We Secure Our Electric Grid?**

A broad, well-informed consensus among policy makers, nationwide businesses and industries, military experts, government officials, and concerned scientists has developed around the need for the nation to address the vulnerability of the widespread attacks on America's electrical grid. This paper examines the types of threats and current responses.

#### **Preparing to Harden Electrical Resources for Hurricane Season**

Communities that are likely to suffer effects of significant damage from named storms need to have confidence that cost estimates and projected benefits are reliable. This transparency to administrators, political leaders, and planners conveys a public message that utility hardening policies such as undergrounding cables and vegetation maintenance reflect a broad consensus among diverse experts. Collaboration among varied planners also ensures that widely noticed disparities among individual estimates do not confuse concerned public observers of the decision-making process.

#### **Motivating the Optimal Procurement and Deployment of Electric Storage as a Transmission Asset**

Examined the optimal choice between two means of relieving congestion in an electricity network: (1) traditional expansion of transmission capacity; and (2) storage as a transmission asset (SATA). Assuming the electric utility has unique knowledge of both the cost of implementing SATA and the likelihood of local network congestion, the optimal policy differs considerably from policies under active consideration, in part by paying the utility relatively little for implementing SATA. Despite the relatively limited compensation, the utility profits from its unique knowledge, particularly its knowledge of SATA implementation costs.

#### **Solar Impacts: Does Distributed Production Affect Consumption Choices?**

As the role of distributed generation grows in the electricity industry, this growth is accompanied by questions regarding its impact on the rest of the system, chiefly the impact on finances, environmental footprint and reliability. Unfortunately, analyses of these impacts assume, a priori, that generation from distributed resources displaces generation from "somewhere else", usually centralized resources and a 1:1 basis. We examine the behavior of customers who install solar arrays on their homes and find that these customers increase consumption by 8-14%. That is, every 100 kWh generated by residential distributed solar displaces only 86-92 kWh from other sources. This result has profound impacts on the financial compensation of these resources, their role in reducing emissions, and their impact on system reliability.

### **Load-Following Forward Contracts**

Load-following forward contracts (LFFCs) are becoming increasingly popular in the electricity sector. A LFFC obligates an electricity supplier to deliver at a pre specified unit price a fraction of the buyer's ultimate demand for electricity. This paper shows that relative to more standard ("swap") forward contracts, LFFCs can increase the expected wholesale price of electricity and thereby reduce expected consumer and economic benefits.

### **Market Structure, Risk Preferences, and Forward Contracting Incentives**

This paper examines the distinct impacts of forward contracting on generators and buyers of electricity. Increased forward contracting systematically reduces the variance of a generator's profit, but can increase the variance of a buyer's profit. Consequently, increased risk aversion or market uncertainty can lead buyers, but not generators, to prefer reduced levels of forward contracting. This paper examines how the extent of equilibrium forward contracting varies with industry conditions, including the number of generators, the number of buyers, their aversion to profit variation, and the structure of retail electricity prices.

### **Vertical Integration and Capacity Investment in the Electricity Sector**

This paper examines the incentives for and the effects of vertical integration in the electricity sector. It finds that vertical integration often reduces retail prices and increases industry capacity investment, consumer surplus, and total welfare. Unilateral vertical integration often is profitable. However, ubiquitous vertical integration can reduce aggregate industry profit.

### **Who Will Pay the Pandemic Utility Bill – And How?**

The COVID-19 pandemic has both spread and worsened in many areas, forcing widespread emergency responses, often at short notice and with minimal resources to help people cope with dire consequences. A major concern among most households, especially those struggling to meet basic needs, has been how to remain connected to essential utility services. The financial impact of unpaid utility bills affects everyone.

### **Energy Blogs**

Dr. Kury blogs on energy issues for The Conversation. He addresses issues of storm hardening, taxes, and grid security. His recent post, "What social media could look like: Think pipelines, not utilities," was one of the top UF Expert stories in December with almost 12 million readers. His blogs are available at <https://theconversation.com/profiles/theodore-j-kury-406888/articles>.

## ICT AND TELECOM

### **Effects of Components on Ecosystem Value: The Case of the iPhone and Mobile Broadband**

This paper examines how component changes affect network value, focusing on the effect of the iPhone on mobile broadband. Theory indicates that increased component value can increase sales for network access. Using data from multiple countries, the research finds the iPhone and its imitators explain 60% of the average rise in mobile broadband's growth rate. Per capita GDP mattered in developed, but not developing countries. The quality of government mattered in both types of countries, but regulation mattered more in developed countries, while rule of law mattered more in developing countries.

### **The Regulatory Labyrinth that Inhibits Federal Deregulation**

This paper examines the structure of federal telecommunications tariffs, how they relate to state tariffs, and how the relationship inhibits federal deregulation.

### **Platform Competition and Differentiation: Developer Choices in Mobile Platforms**

This paper examines how app developers and other tech companies choose whether to build on the Apple platform, the Android platform, or both. It finds that the platforms compete for these businesses and differentiate primarily in "thin" markets where it is uneconomical for more than one platform to accommodate specialized needs.

### **Valuation of digital goods during the coronavirus outbreak in the United States**

This paper examines how the Coronavirus pandemic affected consumer valuation of digital services. Governments responded to the pandemic with various forms of lockdowns and social distancing, leading to increased dependence on digital services for work, social engagement, and leisure activities. The paper identifies consumer valuations through surveys where respondents express their reservation prices for digital services such as email, search, and social media. It compares these results to surveys done in 2016 and 2017 and finds an about five-fold increase in valuations.

### **Regulatory and Broadband Industry Responses to COVID-19: Cases of Uganda, Peru, and the Caribbean**

The COVID-19 pandemic was particularly challenging for developing countries because of pre-existing poverty and severe inequality. Governments tended to set public safety as a primary goal, but it could not be their singular goal. Broadband was an important feature of any policy solution. Business lockdowns, school closures, and social distancing led to an unprecedented acceleration in the demand for broadband. But the government restrictions on social and economic interactions made it difficult to maintain and expand broadband networks. Governments quickly grew to believe that it would need cooperative relationships among multiple government agencies and private businesses to answer what appeared to be a broadband shortage. Regulatory controls over broadband providers were quickly suspended in favor of developing common goals and coordinated efforts.

### **Net Neutrality in the USA During Covid-19**

The COVID-19 pandemic provides an opportunity to review policy assertions about net neutrality. There was an expectation that without *ex ante* FCC net neutrality rules, there would be harmful demonstrations of market power and anticompetitive conduct. This paper offers a review of the evidence. Given that little to no incidence of net neutrality violations could be uncovered for the period, the paper suggests some explanations as to why broadband providers behaved opposite to predictions. Contrary to many policy assertions, broadband providers did not block or throttle service, nor did they increase prices arbitrarily or decrease quality. In fact, broadband providers appeared to take significant efforts to expand availability, lower broadband prices, and make more networks available, in many cases without charge.

### **Revealing Transactions Data to Third Parties: Implications of Privacy Regimes for Welfare in Online Markets**

This paper examines the effects of privacy policies regarding transactions (e.g., price/quantity) data on online shopping platforms. Disclosure of transactions data induces consumer behavior that affects merchant pricing decisions and the welfare of platform participants. A profit-maximizing platform prefers the disclosure policy that maximizes social benefit. Although this policy benefits sophisticated consumers, it harms those who do not understand the implications of their behavior. Consequently, the welfare effects of alternative privacy policies, data breaches, willful violations of stated privacy policies, and opt-in/opt-out requirements differ sharply, depending on the level of consumer sophistication and on other factors such as the prevailing status quo.

### **Leveraging Digital Transformation for Capital Markets Development: Closing the Digital Divide**

This paper examines disconnects between what governments in the Caribbean say are their broadband aims and the policies they adopt. These include outdated regulatory models, asymmetric regulation between telecom providers and the so-called edge providers, taxation of telecom providers, and a lack of demand-side policies for stimulating broadband subscriptions. Absent a recognition of and resolution of these disconnects, governments risk adopting policies, such as government ownership of networks, that will exacerbate problems and prove costly for citizens.

### **The Biden-era FCC Dilemma: Would Restoring Net Neutrality Regulations Hurt the Poor?**

Empirical studies of the effects of net neutrality regulations have concluded that the regulations depress investment and innovation in broadband. They also prohibit pricing strategies that benefit the poor, such as zero rating, where an online content provider pays for a subscriber's data usage to make the service more affordable. So it appears that, if the Biden administration wants to promote broadband for the poor, it should drop its plan to re-establish net neutrality regulations.

### **Adapting Merger Guidelines to a Digital Environment**

Contemporary merger guidelines are heavily dependent on empirical observations of past and present markets. This feature makes the guidelines inadequate for addressing market power in the dynamic high-tech industries. Competition regulators should redirect merger policies towards focusing on industry features that do or that will create market power – i.e. protect firms from competitive pressure – and then adopt policies that challenge

mergers that would extend the reach of such monopoly-inducing features. Antitrust strategies for diminishing the presence of such features to the extent practicable would also be in order.

### **Technology Blogs**

Dr. Jamison blogs on technology issues for the American Enterprise Institute. He addresses issues of net neutrality, universal service, privacy, innovation, competition, and regulatory institutions. His blogs are available on the American Enterprise Institute website at <http://www.aei.org/scholar/mark-jamison-2/>.

## **WATER**

### **Performance Assessment Using Key Performance Indicators (KPIs) for Water Utilities: A Primer**

Key Performance Indicators (KPIs) are widely recognized as a basis for evaluating water utility operations in developing countries and for designing both regulatory and managerial incentives that improve performance. A number of methodologies can be used for assessing performance. However, regulatory oversight requires data analysis of trends, current performance, and realistic targets. Quantitative studies can provide clues regarding the extent of economies of scale, scope, and density, but policy-makers need much more detail and specificity than most scholars provide. Here, the focus is on information systems that provide accurate, reliable, and relevant data.

## **MULTISECTOR**

### **Access Pricing in Mixed Oligopoly**

Characterizes optimal access prices in mixed oligopoly where a private, profit-maximizing firm competes against a public enterprise after purchasing an essential input (e.g., network access). Optimal access prices tend to be lower for the private firm than for the public enterprise, and can be particularly low for a relatively efficient private supplier. The optimal access price for a private firm is the same whether it competes against another private firm or a public enterprise. Failure to tailor the prevailing access pricing policy to the objectives of the competing suppliers can reduce welfare substantially.

### **Principles and Strategies for Effective Leadership in the "New Normal"**

To lead effectively during times of constant change and uncertainty, leaders should: (1) Lean into the uncertainty (Learning to live in the discomfort of uncertainty will free up some space for clearer thinking.); (2) Recognize that it is all about experimentation (It is about "next practices" rather than best practices.); (3) Embrace mistakes (Mistakes are a necessary part of this evolving process and need to be used as learning tools and experiments.);

and (4) Lead with a focus on empathy and communication (In a time in which so many are struggling and uncertainty is king, we must ensure people know you are “there” for them.)

## OUTREACH

### **Follow the Money: Ensuring Accountability in Broadband Initiatives**

On December 7, 2022, PURC’s Mark Jamison hosted an event to discuss ensuring transparency and accountability in federal broadband initiatives, especially considering the influx of new spending Congress recently allocated for closing the digital divide. Each panelist offered a call to action. The American Enterprise Institute sponsored the event.

### **Can billions of dollars in federal grants solve broadband access and availability throughout the US?**

On July 21, 2022, Commissioner Brendan Carr of the Federal Communications Commission (FCC) joined AEI’s Shane Tews and PURC’s Mark Jamison to discuss how the National Telecommunications and Information Administration’s \$42.45 billion Broadband Equity, Access, and Deployment (BEAD) Program could be hampered by misguided priorities and cumbersome regulations. Following the discussion with Commissioner Carr, an expert panel convened.

### **What do the OECS countries need to consider as they integrate more renewable resources into their electricity system?**

This was the subject of a panel at the 2nd NDC Investment Forum held in St. Lucia on July 6th. PURC Director of Energy Studies Ted Kury joined Allison Jean (NURC), Cheryl Lewis (OUR), Glenn Khan (RIC), and Thomas Mitschke (CARILEC) in discussing the importance of the framework, planning, procurement, and financial implications of transitions in the electricity sector. This discussion is necessary to navigate the opportunities and challenges of changing technologies and their impact on the electricity service people rely on.

### **Assessing the Effects of Competition between Mobile Platforms**

How do the Apple and Android mobile platforms affect the businesses that use them? This was the focus on a research presentation at the International Telecommunications Society conference in Sweden in June 2022. Dr. Jamison presented this research, which empirically showed that the platforms compete for business applications and that probabilities of business success are roughly the same between the two platforms, but the Apple platform creates more star-like apps and helps app developers secure higher levels of outside funding in fewer funding rounds than does the Android platform. This presentation was given on June 20-21, 2022.

## **How Forced Data Sharing Affects Platform Competition and Innovation**

Several countries are in the process of developing regulations that would force large platform companies to share the data they collect with smaller rivals. This policy is based on a theory that data is the new oil and its sharing is essential for competition in platform markets. Using a simulation approach, Dr. Jamison's research presentation at the International Telecommunications Society conference in Sweden in June 2022 showed that the policy would likely help new market entrants profit and grow, but Big Tech platforms would voluntarily participate only if the data sharing resulted in the entrants having higher quality platforms. The research also showed that the sharing decreases the likelihood that the new entrants advance to new platform technologies, which then increases the probability of the current large platforms will continue their success for future generations of technology. This presentation was given on June 20-21, 2022.

## **Back to the Future: How Not to Write a Regulation**

This event examined the historical role of rulemakings at the Federal Trade Commission (FTC). PURC's Mark Jamison moderated the event, which was sponsored by the American Enterprise Institute. Several decades ago, the FTC attempted to expand its role in business regulation by adoption economy-wide regulations on business processes. Congress viewed this as the FTC overstepping its authority and so took steps to stop the rulemaking. The current FTC has relaunched this effort and violated its own procedures in doing so. Dr. Jamison moderated this event, which featured former FTC commissioners and senior staff. The American Enterprise Institute sponsored this event on June 1, 2022.

## **Big Tech is Not Going Away: Next Steps in Competition Policy**

This event examined the likely effects of prominent antitrust legislation currently in Congress. Dr. Jamison and other panelists explained that the legislation would impose rote rules that lack substantive foundations, covering such topics of platform business models and mergers. The effects would be to damage consumers who value current platform services, as well as America's lead in information technologies. The Bipartisan Policy Center sponsored the event on June 1, 2022.

## **Big Tech and America: Valuable Assets or Overwhelming Monopolies**

This by invitation only roundtable on the effects of Big Tech on America examined issues of market power, societal impacts, and national security. Sponsored by The Lexington Institute on May 27, 2022, the discussion included people from notable think tanks, congressional staff, and defense industry consultants. Dr. Jamison participated in the roundtable and provided insights into the economics of Big Tech, innovation, and antitrust, and into the role of economic development in national defense.

## **Using Digitization to Promote Economic Growth**

How can cities promote the development of digital businesses? This is the question PURC director Mark Jamison addressed at a conference in Ho Chi Minh City on digital business. Dr. Jamison explained that the city needs a firm foundation of free markets, efficient government, and stable policies, which are fundamental for any economic development. Then with respect to digital business, he suggested emphasizing digital readiness by

promoting the development of 5G services and a welcoming environment for crypto currencies as both of these are important for the future development of the next generation of business digitization.

### **Exploring the Metaverse**

Last year, Facebook rebranded itself as Meta, signaling its shift from traditional social media to a big bet on the so-called Metaverse. This network of 3D, online spaces is accessed through virtual reality headsets like Meta's Oculus and promises to revolutionize internet communications. But is there substance behind the hype, or is the Metaverse just a fad? And if virtual reality worlds are here to stay, what do policymakers need to know about them? This podcast featured PURC's Mark Jamison and was published on April 27, 2022.

### **What challenges do sea level change and severe storms have on the future of the electricity grid?**

PURC Director of Energy Studies Ted Kury participated as a panelist in the UF One Health Student Association's forum on the impacts of climate change on April 4, 2022. He talked about the impact on the sustainability of the electricity grid along with the challenges of balancing the costs of adaptation with the costs of abatement. He emphasized that there is no single strategy for addressing our challenges and that stakeholders must work together to achieve long term goals.

### **How should states put federal broadband funds to use? A conversation with Sen. Deb Fischer**

On April 4, 2022, AEI's Ajit Pai hosted an event on how states can use \$65 billion from the Infrastructure Investment and Jobs Act (IIJA) for broadband build-out. Sen. Deb Fischer (R-NE) emphasized that the IIJA's priority is to connect unserved communities to the internet and recommended that individual states establish broadband offices. PURC's Mark Jamison was on a follow-on panel.

### **What does the future hold for utilities in the post-pandemic world?**

That was the subject of the panel discussion in the Jamaica Office of Utility Regulation's 8th Annual Director General's Stakeholder Engagement, March 31, 2022. PURC Director of Energy Studies Ted Kury presented on the future of electric utilities where he discussed technological innovations in the sector and the challenges and opportunities for consumers, regulators, and utilities. While the future holds many opportunities, there may be some who cannot participate in this change, and the regulator's role may be complicated by trying to move forward while making sure that no one is left behind.

### **Sharing Resources with Competitors**

What happens when governments force companies to share knowledge they've created with rivals? This was the question that DMI director Mark Jamison addressed in a conference at George Mason University. Presenting the results of preliminary research, Dr. Jamison explained that companies that are forced to share knowledge decrease their investment in knowledge, resulting in fewer services to customers. The beneficiaries of the sharing



do increase their services as a result of the gift but may also reduce their investment since they are able to profit from the gift. This presentation was given on March 31, 2022.

### **What should towns think about when considering whether to underground their power lines?**

On March 15, 2022, the residents of Surfside, FL held a referendum on whether to approve a bond sale to support the potential undergrounding of their electricity system. PURC Director of Energy Studies participated in a pre-election day public meeting to address the concerns of citizens as they considered this commitment. Participants learned what the impact of undergrounding on the system, as well as the ways to think about the costs and benefits of relocating power lines.

### **49th Annual PURC Conference - Unlocking Innovation Keys to Getting It Right**

This is a time of lofty challenges. Some utilities and policy makers aspire to achieving net zero carbon emissions, while recovering from the pandemic and keeping service affordable. Government officials at local, state, and federal levels are pressing for universal broadband. And these are happening in a context of an increasing political divide, an ongoing pandemic, and competition between global powers. How can Florida advance technologies, policies, and regulations that make sense for the state's future? This was the focus of the 49th PURC annual conference, where speakers and the audience tackled questions like: What new business models and technologies are being tried in Florida? How are these trends affecting the emerging inter-dependencies for telecoms, power, and water in Florida? How should companies and regulations adapt to the growing use of electronic vehicles? What are the adaptive challenges for regulators, policy makers, and service providers? What do these changes mean for customers, especially traditionally marginalized groups?

### **What Happens if The American Innovation and Choice Online Act Becomes Law?**

On February 22, 2022, PURC's Mark Jamison hosted an event on how the American Innovation and Choice Online Act (AICOA) would affect consumers, the US economy, and the future of antitrust enforcement if it became law. The American Enterprise Institute sponsored the event.

### **Examining The Scope and Scale Of PG&E's Plan to Bury 10,000 Miles of Power Lines**

Pacific Gas & Electric issued a cost estimate for the first phase of its plan to put thousands of miles of power lines underground, ballparking it at \$9 billion to \$13.5 billion according to the San Jose Mercury News for the first 3,600 miles of lines it wants to bury by 2026. Last July, PG&E announced the plan to bury 10,000 miles of lines in total as part of its effort to address wildfires started by equipment it owned, among them the 2021 Dixie Fire that burned almost a million acres in the Sierra Nevada and the 2018 Camp Fire, which left the town of Paradise in ashes. The utility will ultimately have to submit its plan to the California Public Utilities Commission for approval before moving ahead with it, and it's possible that the plan PG&E shows up with is different from what the regulator ultimately approves, but there's no denying the sheer scale of the operation they'll be undertaking to accomplish this goal. So, where do you even start with burying 10,000 miles of power lines? What are the economic, environmental, and engineering challenges PG&E will have to navigate? And what are

the tradeoffs to having power lines buried as opposed to suspended in the air? This presentation was given on February 16, 2022.

### **South African National Regulators' Workshop**

How should economic regulators think about the future of their industries? What challenges will they face? Those were the topics addressed by PURC director Mark Jamison for the South African National Regulators' Workshop. Dr. Jamison described the economic and technological trends in information technologies, finance, and energy, emphasizing the uncertainties about the future and the need for regulatory leadership. During the Q&A, he emphasized the need for energy prices to cover their costs if service is to be sustainable, and the importance of developing countries to find their own ways regarding environmental issues rather than let developed countries set the environmental agenda. This presentation was given on February 11, 2022.

### **Rural Concerns Advisory Committee Meeting - Rural Broadband**

What can counties in Florida do to improve broadband in their rural areas? That was the question PURC director Mark Jamison addressed with the Alachua County Rural Concerns Advisory Committee on January 18, 2022. Along with PURC associates that are working on Florida's Broadband Strategic Plan, Dr. Jamison explained how to assess broadband needs, identify where government agencies are already actively supporting broadband development, and how to plug into the state's strategic plan.

### **Annual PURC Award for Best Paper in Regulatory Economics**

The 2022 Public Utility Research Center Prize for the best paper in regulatory economics was awarded Matthew Leisten (FTC) and Nicholas Vreugdenhil (Arizona State U.) for *Dynamic Regulation with Firm Linkages: Evidence from Texas*.

## TRAINING AND DEVELOPMENT

### **Comprehensive Regulatory Impact Analysis for the African Development Bank**

Seventeen (17) representatives of the African Development Bank participated in this special virtual training. In addition to completing case work and discussion activities online, they met weekly via Zoom with PURC director of energy studies, Ted Kury, to learn how to effectively analyze and communicate the impacts of regulations.

### **Regulatory Training Course for OfReg, Cayman Islands**

How regulatory boards of directors and staff prepare themselves for controversial topics and unexpected challenges? This was the topic of a PURC three-day workshop for the Office of Regulation (OfReg) in the Cayman Islands. Members of the OfReg board discussed how they can manage their roles and relationships to provide the stability and direction for the organization and the utilities it regulates. Specific topics included the purposes of regulation and of regulatory agencies, governance for regulation and for the private sector, the political economy of regulation, foundations for utility finance, and strategies for determining the natures of disruptive technologies and industry dynamics and for how to develop proper responses.

### **Practicing Leadership in a Political Environment – A One-Day Intensive Training for Leaders in Utility Policy**

Fifty-three regulatory and utility professionals participated in our June and November 2022 Leadership Workshop. Throughout the workshops, they identified and developed their individual leadership profiles; examined personal practices of successful leaders to develop vision, resolve conflict and set priorities; analyzed what is different about practicing leadership in a political environment; and developed their own personal action plans and an accountability system to address their unique challenges.

### **50<sup>th</sup> & 49<sup>th</sup> PURC/ World Bank International Training Program on Utility Regulation and Strategy**

One hundred (100) regulatory and utility professionals from around the world travelled to the University of Florida for PURC's flagship program! The international training program is an intensive course specifically tailored to the professional requirements of utility regulators and regulatory staff. The course is designed to enhance the economic, technical, and policy skills required for implementing policies and managing sustainable regulatory systems for infrastructure sectors. This training was held in-person from June 6 – 15 and November 14 – 23, 2022.

### **Advanced International Practices Program: Benchmarking Infrastructure Operations course**

We hosted nine utility and regulatory professionals from the energy and water sectors for an intensive four-day technical course in benchmarking. Participants analyzed the benefits, best practices and pitfalls of benchmarking utilities. After completing the course, participants were able to understand why benchmarking is essential for improving the performance of infrastructure organizations. They could analyze the implications of partial, limited, or incorrect information as well as assess how information on trends in key performance indicators helps decision-makers. They could understand how model specification and data outliers affect

performance comparisons as well as identify the strengths and limitations of alternative quantitative methodologies and how to communicate results. This course was held in-person on the University of Florida campus from August 8 – 11, 2022.

### **Advanced International Practices Program: Energy Pricing course**

We hosted eleven utility and regulatory professionals from the energy and water sectors for a week-long technical course in pricing. Participants discussed the challenges and best practices in pricing; the innovative ideas to addressing efficiency and environmental issues; and the core principles in pricing. After completing the course, participants were able to prepare for and perform price reviews, develop economic incentives appropriate for utilities in small economies, evaluate market competition and develop remedies for market failure, analyze financial statements for rate setting and evaluating sector performance, and develop innovative price structures that create incentives for consumers and producers to behave in a manner consistent with your utility policy. This course was held in-person on the University of Florida campus from August 1 – 5, 2022.

### **Energy Secure Philippines Virtual Meeting Series and Executive Exchange Program**

PURC hosted this series and program to assist the Government of the Philippines (GPH) in promoting a more competitive power sector through investment mobilization, deployment of modern energy technologies, and support in policy reforms and regulation. This activity, funded by USAID focused on such topics as planning for storms, storm hardening, integration of new technologies to the grid, and financial sustainability and resilience. The work highlighted Florida's leadership in storm hardening following the 2004 and 2005 storm season. We appreciate Chairman Fay's participation in the Executive Exchange Program.

## FACULTY RESEARCH FOCUS



**Mark A. Jamison, Director**

Dr. Jamison conducts studies on regulation and strategy in telecommunications, information technologies, and energy. In recent years, his research has been presented at meetings of the American Economic Association, Industrial Organization Society, Western Economic Association, Australian Competition and Consumer Commission, Telecommunications Policy Research Conference, the Caribbean Electric Utility Services Corporation, the Organization of Caribbean Utility Regulators, and the National Association of Regulatory Utility Commissioners. He is the director of the university's Digital Markets Initiative and was a co-principal investigator on a National Science Foundation grant to examine barriers to adoption of solar technologies in developing countries. His current research examines broadband development, market competition, innovation, antitrust, and institutional change. He has conducted training programs for regulatory organizations in Africa, Asia, Australia, the Caribbean, Central America, Europe, North America, and South America.



**Ted Kury, Director of Energy Studies**

Dr. Ted Kury's research has focused on four current issues confronting energy markets: the impacts of distributed generation, the efficacy of relocating power lines, the complexity in determining optimal levels of carbon dioxide abatement, and the effects of restructured electricity markets. Analyses on the impacts of distributed generation have exhibited notable gaps. First, current policy analysis makes the implicit assumption that distributed generation has no impact on consumption. Dr. Kury, along with Dr. Michelle Phillips and Dr. Mark Jamison, studied the impact of distributed generation on consumption in a single-utility sample and found that consumption increased 8-14% for customers that installed solar panels. While this result may not scale to larger samples, it certainly is evidence that the standard assumption that distributed generation has no impact on consumption is suspect. Further, as more countries move away from net metering as a compensation mechanism for distributed generation, they create an incentive for unregistered installations. Present detection methods involving satellite photos and image processing software are expensive with low detection rates. Dr. Kury is developing a machine learning algorithm for detecting unregistered installations from simple billing data. The relocation of power lines is a complicated question because relocation is very expensive and does not necessarily reduce the damage associated with storm events. In areas more susceptible to storm surge and flooding, the relocation may even increase damages, leading to a waste of valuable consumer and utility resources. Understanding how the efficacy of undergrounding changes with location is critical to ensuring that customers are receiving safe, reliable electricity service at just and reasonable rates. In addition to his academic work, Dr. Kury has published a number of essays in the popular press on the topic. His work on carbon abatement includes insight into the marginal cost curves for abatement. Theoretically, we can equate the marginal cost with the marginal benefits of abatement to determine optimal levels of emissions. Restructured electricity markets have led to more opportunities, but it is not clear how these opportunities are distributed. Dr. Kury's research has shown that the benefits of increased trade in transparent wholesale markets are not uniformly distributed, with larger and privately-owned utilities more apt to participate.



**Araceli Castaneda, Director of Leadership Studies**

Ms. Castaneda contributed to a number of PURC virtual and in-person programs through the delivery of training sessions such as Effective Independence, Country Lessons from the Pandemic, Thinking Strategically, Balcony Perspectives in ICT Strategies, or Taking a Balcony View Point on Energy Pricing. She ran peer consulting groups to address participants' pressing issues and leadership challenges. Ms. Castaneda also co-delivered PURC's one-day leadership workshop Practicing Leadership in a Political Environment in June and November of 2022.



**Sanford V. Berg, Senior Fellow**

Dr. Sanford (Sandy) Berg, PURC Senior Fellow, continues to examine internal and external governance mechanisms in the context of infrastructure reform. After the December 2018 Conference in Manila (sponsored by the Bill and Melinda Gates Foundation), he assisted the Eastern and Southern Africa Water and Sanitation Regulators Association by reviewing their Gates-sponsored report on sanitation initiatives in the region. PURC is exploring a now has a funded project to assist in training and the development of resource materials. Berg also conducted a study for Jamaica's Office of Utility Regulation on reducing Non-Revenue Water. In addition, Berg continues to assist in the delivery of PURC eLearning and training programs for international participants.



**David Sappington, Lanzillotti-McKethan Eminent Scholar**

Professor Sappington's ongoing research focuses on the design of regulatory policies to: (i) limit peak electricity consumption by providing incentives for demand response; and (ii) promote efficient distributed generation of electricity via net metering and related policies.

## APPENDIX

Public Utility Research Center

## Recent Publications and Working Papers

**Aytug, Haldun, Anuj Kumar, and Xiang Wan.** 2022. "Estimating Optimal Recommendation Policy Under Heterogeneous Treatment Effect of Product Recommendation" In *Information Systems Research Journal*.

**Bandyopadhyay, Subhajyoti.** 2022. "The Streaming Games: Analyzing the Revenue Models of Online Media Firms" University of Florida, Warrington College of Business, PURC Working Paper.

**Baye, Michael R., and David E. M. Sappington.** 2020. "Revealing Transactions Data to Third Parties: Implications of Privacy Regimes for Welfare in Online Markets." *The Journal of Economics and Management Strategy*, Vol. 29(2), Summer 2020, pp. 260-275.

**Berg, Sanford V.** 2020. "Performance Assessment Using Key Performance Indicators (KPIs) for Water Utilities: A Primer" In *Water Economics and Policy*. 6(2).

**Bet, Germán, Shana Cui, and David E. M. Sappington.** 2021. "The Impact of Vertical Integration on Losses from Collusion." *The International Journal of Industrial Organization*, Vol. 77, June 2021, Article 102756.

**Brown, David P., and David E. M. Sappington.** 2020. "Motivating the Optimal Procurement and Deployment of Electric Storage as a Transmission Asset," *Energy Policy*, Vol. 138, March 2020, Article 111202.

**Brown, David P., and David E. M. Sappington.** 2020. "Procuring Electric Storage as a Transmission Asset," *The Electricity Journal*, Vol. 33(3), April 2020, Article 106711.

**Brown, David P., and David E. M. Sappington.** 2020. "The Impacts of Load-Following Forward Contracts," University of Florida, Department of Economics, PURC Working Paper.

**Brown, David P., and David E. M. Sappington.** 2022. "Vertical Integration and Capacity Investment in the Electricity Sector," *The Journal of Economics and Management Strategy*, forthcoming.

**Brown, David P., and David E. M. Sappington.** 2022. "Load-Following Forward Contracts," University of Florida, Department of Economics, PURC Working Paper.

**Brown, David P., and David E. M. Sappington.** 2022. "Market Structure, Risk Preferences, and Forward Contracting Incentives," University of Florida, Department of Economics, PURC Working Paper.

**Castaneda, Araceli.** 2021. "Principles and Strategies for Effective Leadership in the 'New Normal' " University of Florida, Warrington College of Business, PURC Working Paper.

**Channagiri Ajit, Tejaswi, and Mark Jamison.** 2022. "Effects of Conferring Business Resource on Rivals" University of Florida, Warrington College of Business, PURC Working Paper.

**Channagiri Ajit, Tejaswi, and Mark A. Jamison.** 2021. "Platform Competition and Differentiation: Developer Choices in Mobile Platforms" University of Florida, Warrington College of Business, PURC Working Paper.

**Cui, Shana, and David E. M. Sappington.** 2021. "Access Pricing in Mixed Oligopoly," *Journal of Regulatory Economics*, Vol. 59(3), June 2021, pp. 193-225.

**Corton, Maria Luisa, Michelle Phillips, and Aneliese Zimmermann.** 2019. "Aligning Quality Incentives and Tariff Adjustments: The Case of the Brazilian Electricity Distribution Sector" *Review of Network Economics*, forthcoming.

**Costello, Kenneth.** 2021. "The Challenges of Reviewing Merger Proposals" University of Florida, Warrington College of Business, PURC Working Paper.

**Cox, David.** 2021. "Leveraging Digital Transformation for Capital Markets Development: Closing the Digital Divide" University of Florida, Warrington College of Business, PURC Working Paper.

**Dippon, Christian, et al.** 2020. "Adding a Warning Label to Rewheel's International Price Comparison and Competitiveness Rankings," University of Florida, Warrington College of Business, DMI Working Paper.



**Jamison, Mark A.** 2020. "Applying Antitrust in Digital Markets: Foundations and Approaches," American Enterprise Institute working paper; Intellectual Property & Technology Forum Journal at Boston College Law School, <http://bcipf.org/2020/04/applying-antitrust-in-digital-markets>.

**Jamison, Mark A.** 2020. "How Politicians Use Your Social Media Data & How to Combat False or Misleading Information Before the Election" University of Florida, Warrington College of Business, PURC White Paper.

**Jamison, Mark A.** 2020. "Less Would Be More for Tech Antitrust" University of Florida, Warrington College of Business, DMI Working Paper.

**Jamison, Mark A.** 2020. "The Regulatory Labyrinth that Inhibits Federal Deregulation" University of Florida, Warrington College of Business, DMI Working Paper.

**Jamison, Mark A.** 2020. "Towards a Theory of Market Power," Arizona State University Corporate and Business Law Journal 1(2): 1-22 <http://cablj.org/wp-content/uploads/2020/06/Ready-Jamison.pdf>.

**Jamison, Mark A.** 2021. "The Biden-era FCC Dilemma: Would Restoring Net Neutrality Regulations Hurt the Poor?" University of Florida, Warrington College of Business, PURC Working Paper.

**Jamison, Mark A.** 2022. "Adapting Merger Guidelines to a Digital Environment," *CPI Antitrust Chronicle*.

**Jamison, Mark A.** 2023. "An Alternative Focus for Antitrust: Addressing Harmful Competitive Advantage," University of Florida, Warrington College of Business, Digital Markets Initiative working paper, 2023.

**Jamison, Mark A., Dorothy Okello, Roxana Barrentes, and David Cox.** (forthcoming) "Regulatory and Broadband Industry Responses to COVID-19: Cases of Uganda, Peru, and the Caribbean." In *Telecommunications Post-Covid* (working title), ed. Jason Whalley.

**Jamison, Mark A., and Roslyn Layton.** (forthcoming) "Net Neutrality in the USA During Covid-19." In *Telecommunications Post-Covid* (working title), ed. Jason Whalley.

**Jamison, Mark A., and Peter Wang.** 2020. "Valuation of Digital Goods During the Coronavirus Outbreak in the United States" *Telecommunications Policy* 45(5): <https://doi.org/10.1016/j.telpol.2021.102126>.

**Jamison, Mark A., and Peter Wang.** 2021. "Effects of Components on Ecosystem Value: The Case of the iPhone and Mobile Broadband" University of Florida, Warrington College of Business, PURC Working Paper.

**Jamison, Mark A., Theodore Kury, and Michelle Phillips.** 2019. "Solar Impacts: Does Distributed Production Affect Consumption Choice?" University of Florida, Warrington College of Business, PURC Working Paper.

**Kovacic, William, and D. Daniel Sokol.** 2021. "Understanding the House Judiciary Committee Majority Staff Antitrust Report" University of Florida, Warrington College of Business, PURC Working Paper.

**Kury, Theodore.** 2020. "Who Will Pay the Pandemic Utility Bill - and How?" University of Florida, Warrington College of Business, PURC Working Paper.

**Kury, Theodore.** 2020. "Do Your Solar Panels Affect Your Electricity Consumption? Implications of a Study Challenging a Flawed Fundamental Assumption of Efficiency" University of Florida, Warrington College of Business, PURC Working Paper.

**Kury, Theodore.** 2021. "Preparing to Harden Electrical Resources for Hurricane Season" University of Florida, Warrington College of Business, PURC Working Paper.

**Kury, Theodore.** 2021. "Can We Secure Our Electric Grid?" University of Florida, Warrington College of Business, PURC Working Paper.

**Li, Gloria.** 2020. "Potential Impacts of European AI Regulation on the American Energy Sector" University of Florida, Warrington College of Business, DMI Working Paper.

**Li, Xitong.** 2022. "How Do Product Recommendations Help Consumers Search Products? Evidence of Underlying Mechanisms from a Field Experiment," *Management Science*.

**Pereira, Gabriel, and Jacquelyn Gillette.** 2020. "Grammatical Violations and Financial Reporting Quality," Warrington College of Business, DMI Working Paper.

**Sappington, David E. M., and Dennis L. Weisman.** 2020. "Designing Performance-Based Regulation to Enhance Industry Performance and Consumer Welfare," *The Electricity Journal*, Vol. 34(2), March 2021, Article 106902.

**Sappington, David E. M., and Dennis L. Weisman.** 2021. "Vertical Merger Policy: Special Considerations in Regulated Industries," *The Review of Industrial Organization*, Vol. 59(2), September 2021, pp. 393-407.

**Yang, Yang, Sang K. Park, and Shunyuan Zhang.** 2022. "Mitigating Inequalities Caused by Awareness of Algorithmic Bias," *Journal of Marketing Research*.

# III. Supplemental Materials for Internal Affairs

**Note:** The records reflect that there were no supplemental materials provided to the Commission during this Internal Affairs meeting.

# IV. Transcript

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

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PROCEEDINGS: INTERNAL AFFAIRS  
  
COMMISSIONERS  
PARTICIPATING: CHAIRMAN ANDREW GILES FAY  
COMMISSIONER ART GRAHAM  
COMMISSIONER GARY F. CLARK  
COMMISSIONER MIKE LA ROSA  
COMMISSIONER GABRIELLA PASSIDOMO

DATE: Tuesday, January 24, 2023

TIME: Commenced: 9:30 a.m.  
Concluded: 9:49 a.m.

PLACE: Betty Easley Conference Center  
Room 148  
4075 Esplanade Way  
Tallahassee, Florida

REPORTED BY: DEBRA R. KRICK  
Court Reporter and  
Notary Public in and for  
the State of Florida at Large

PREMIER REPORTING  
112 W. 5TH AVENUE  
TALLAHASSEE, FLORIDA  
(850) 894-0828

## 1 P R O C E E D I N G S

2 CHAIRMAN FAY: All right. Good morning,  
3 everyone. If you could grab your seats, we will  
4 begin the Internal Affairs agenda for this morning.

5 I want to start with our employee of the  
6 month, and because of the holidays in December, we  
7 actually have two employees of the month. And so  
8 first is our December recognition, which is Nancy  
9 Harrison, who serves as the Executive Assistant to  
10 the General Counsel, no bias from Keith Hetrick  
11 here. All of this is somebody who is really a team  
12 player.

13 So Nancy does a number of things in our office,  
14 but in addition to her role as Executive Assistant  
15 to the GC, she serves as assistant to General  
16 Counsel and other folks, Deputy General Counsel,  
17 attorney supervisors, other folks in our legal team.

18 Probably most importantly as of recently, Nancy  
19 has been working on something called Case Center for  
20 the Commission and the parties that come before us  
21 to make sure that electronically we can access  
22 documentation in the best way possible.

23 So if anybody has ever worked on a project  
24 like that, you know that communication between what  
25

1 we want and the folks in IT to implement it can be  
2 very complicated, and so we really appreciate her  
3 stepping up to help with that. She will also be  
4 involved in the training process, both inside and  
5 outside our agency.

6 Probably most importantly is if you ever seen  
7 Nancy in this agency, whenever you see her, she has  
8 a huge smile on her face constantly. She's just  
9 really a team player. We are lucky though have her.  
10 And so for December, we recognize Nancy Harrison as  
11 our employee of the month.

12 (Applause from the audience.)

13 CHAIRMAN FAY: Stand up, Nancy. Stand up real  
14 quick so we can see you. Can you stand up real  
15 quick, Nancy? Just stand up real quickly. We want  
16 to embarrass you and see you. There you are. Hey,  
17 Nancy. Okay. Congratulations, okay.

18 And next we have our January recognition,  
19 which is Shelby Eichler. Shelby is a Public Utility  
20 Analyst in the IDM division. She currently serves  
21 as a docket coordinator over the Nuclear Cost  
22 Recovery Clause and Storm Protection Plan Recovery  
23 Clause.

24 During her seven years since she's been with  
25 the Commission, she has excelled in all of those



1 duties, have worked on a number of complex dockets  
2 in addition to that, including EV charging and the  
3 nuclear waste storage policy components, and has  
4 also played an important role, just in overall that  
5 division as we develop more and more that's being  
6 asked of that division.

7 So with that, I want to recognize Shelby as  
8 our January employee of the month. And she's also  
9 here, I believe. Maybe there she is back there.

10 (Applause from the audience.)

11 CHAIRMAN FAY: Congratulations to you, Shelby.  
12 And thank you for everything you do.

13 With that, Commissioners, we will move on to  
14 the rest of our agenda, which first will include a  
15 presentation by Mark Jamison.

16 Mark, we will get you set up here in the front  
17 and get you -- get you a mic set up, and we have  
18 your materials presented. I believe -- I don't  
19 know if they are going to be put up here on the  
20 slides, but, Commissioners, y'all have a copy of  
21 the report with you.

22 With that, Mr. Jamison, whenever you are  
23 ready, just make sure you hit that button in front  
24 of you, where it turns green for you, and thank you  
25 for being here this morning. We are happy to see

1           you always.

2           DR. JAMISON: Well, thank you very much,  
3           Chairman. And thank you, Commissioners, for giving  
4           me some time this morning to talk with you about  
5           the things we have been up to. We are -- we at  
6           PURC are greatly appreciative of the support of the  
7           Florida Public Service Commission and the utilities  
8           in this state.

9           Florida is fairly unique in having an  
10          opportunity like this, for a research center to  
11          work often with the utilities and the regulators in  
12          the state, and we are grateful for that  
13          opportunity.

14          We are in a unique position this year because  
15          we've been at this for about 50 years now. And it  
16          was actually at the utilities and the Florida  
17          Public Service Commission that got PURC started way  
18          back when to help people understand how do you  
19          actually analyze utility issues well. Not to say  
20          we are supposed to go to the right or the left, or  
21          up the middle. Just how do we know what we are  
22          doing, and how do we analyze it so we know the  
23          consequences of what we are doing? And that's what  
24          we stuck with over these past five decades, and we  
25          are appreciative of all of your support and work in

1           doing that.

2                   Over the past year or so, we have been  
3           focusing, or thinking about a couple of things.  
4           One of those is the grid, and how much we are  
5           reliant on it, and the complexities with keeping it  
6           resilient, and then also broadband. These are two  
7           basic infrastructures that are mattering a lot to  
8           our future, and I just want to talk about the work  
9           that we've been involved in in doing those things.

10                   With respect to the grid, this is going to be  
11           the focus of our annual conference that comes up  
12           next month. It's -- our conference is titled  
13           "Getting to Zero", and it's about one of those  
14           things that we are starting to rely upon the grid  
15           more and more, and that's to fulfill our  
16           aspirations of what we want to do environmentally.

17                   And the utilities are, of course, part of  
18           that. They think about what zero means to them,  
19           what are their strategies for getting to that, so  
20           we want to tee that up and spend time on it at our  
21           annual conference. So that's going to be our  
22           focus, but it's also going to talk about all the  
23           other aspects of what we are relying upon the grid  
24           for. Transportation, more and more electric  
25           vehicles, and also to make all of this broadband

1 possible. That doesn't work without the grid. So  
2 we want to get to that, and the water issues as  
3 well in that space. What are our aspirations for  
4 the cleanliness and processing of water all depend  
5 upon the grid, much more than used to. And so we  
6 want to discuss that well.

7 And we have some papers we've done in that  
8 space. Our Director of Energy Studies, Ted Kury,  
9 is a go-to person for a lot of people in the media  
10 on those kinds of issues. Then, of course, that  
11 raises the issue of, well, if we are going to rely  
12 more and more upon the grid, how do we make sure  
13 it's ready? Of course the utilities are working on  
14 their strategies for that, but there are things  
15 that have been going on here in Florida that you  
16 have been involved in, and we have been involved  
17 in.

18 The resiliency of the grid from a natural  
19 disaster hurricane perspective, we continue to work  
20 with the utilities on hurricane hardening, and  
21 making sure that the models and the analyses are  
22 all up to date and quite usable.

23 And then also the cybersecurity. We are not  
24 so much deep into that. That's a highly  
25 specialized area, but it's something that we've

1 written about and hope people understand how to  
2 accomplish that.

3 In terms of broadband, we helped the State  
4 write its it strategic plan for broadband about a  
5 year ago, involving everything from how do you know  
6 where broadband is adequate, and how do you know  
7 where it's not? And who do you have to talk with  
8 to find that out, and then develop your strategies  
9 for going forward?

10 So that's a lot of community work. It's a lot  
11 of working with different stakeholders. It  
12 involves understanding all the maps that people  
13 have developed on broad band, so we helped the  
14 structure of what that would look like. Then how  
15 do you know how you are going to fill whatever gaps  
16 there might be, both in terms of who do you work  
17 with and what are the financial consequences of  
18 that? And then how do you hold people accountable?  
19 Because over the past few decades, whenever we've  
20 dealt with, first, telecommunication gaps, and then  
21 broadband gaps. The two places where we've  
22 struggled the most are how do we know how much  
23 money we are talking about, and who actually  
24 receives the money, and then how do we make sure  
25 it's effective?

1           Those have been our big struggles. And we are  
2           trying to make sure that that doesn't become a big  
3           struggle this time. That we actually are  
4           successful in it. So that's what we have been  
5           doing at the state level.

6           At the federal level, we have been doing  
7           events on what the Department of Commerce and  
8           Treasury have been doing in that, what some other  
9           states have been doing, just so that we can all  
10          learn from it.

11          And then our kind of next step in that is  
12          we've put together a team of people to put together  
13          a scorecard. How do we know how well things are  
14          going across the country so we can benchmark  
15          ourselves and say, ahh, this is going well. I  
16          really need to learn from Florida about this, I  
17          really need to learn from Illinois about that, so  
18          that everybody can be successful in getting the  
19          broadband in peoples hands.

20          So those are some of the primary things what  
21          we are working on and have been working on. You  
22          have our report. I would be glad to answer any  
23          questions that you might have.

24                 CHAIRMAN FAY: Great. Thank you, Mr. Jamison.  
25                 Commissioners, any questions for Mr. Jamison?

1           Yeah, Commissioner La Rosa, you are  
2 recognized.

3           COMMISSIONER LA ROSA: Thank you, Chairman,  
4 and welcome.

5           MR. WIMBERLY: Thank you.

6           COMMISSIONER LA ROSA: It's good to see you.  
7 I know we spoke just this week.

8           A quick question on the Florida broadband  
9 strategic plan that you guys recently worked with  
10 DEO on. Is there any follow-up to that, or kind of  
11 where is the next step -- or is there a next step I  
12 guess?

13          DR. JAMISON: Well, the next step for the  
14 office of broadband is executing that plan. And so  
15 they are having a workshop next week, I think it  
16 is, with -- with different county commissions and  
17 such to work on how do they get broad -- know where  
18 broadband is needed, and how do they help the local  
19 governments get involved. Now, they have been  
20 active -- this isn't their first step. They have  
21 been active at this for a long time.

22          So they are executing the plan. We talk with  
23 them to keep them informed of things that we hear  
24 about. When we hear about someone has done some  
25 excellent analysis on this particular type of

1 issue, we tell them about it. We stay in  
2 discussions just in case there more that we can do  
3 to help them be effective.

4 COMMISSIONER LA ROSA: Excellent. Excellent.

5 Another follow-up, Chairman -- actually not a  
6 follow-up to this, but just kind of something in  
7 general, you know, being there at the University of  
8 Florida, do you -- do you see areas where maybe  
9 students are either migrating to, that are either  
10 technologically driven in the utility world,  
11 energy, or obviously talking about broadband and  
12 some other sectors. I'm just kind of curious, you  
13 know, as -- again, as technology impacts things, as  
14 you as an agency to look at, workforce and, you  
15 know, bringing on folks, not just in the agency,  
16 but, of course, educating students to kind of take  
17 -- take this on as a career, I am curious if you  
18 guys see any areas where they are starting to  
19 migrate, or maybe new avenues that they are  
20 starting to go down?

21 DR. JAMISON: Well, the university has a big  
22 push on artificial intelligence and data analytics.  
23 That's across the university. So in the Business  
24 College where we are, that emphasis is taking on  
25 the shape of, and the form of, is how is it that



1 students can learn what businesses should be doing  
2 and then how do they make that part of their  
3 career?

4 So we have connected groups of students with,  
5 I think, two of our utilities, maybe three, here in  
6 Florida to identify a data analytics project;  
7 develop strategies for it; learn how the business  
8 might actually do it, and that helps the student  
9 step into that career.

10 COMMISSIONER LA ROSA: Excellent. Thank you.  
11 Much appreciated.

12 CHAIRMAN FAY: Okay. Great.

13 Any other questions?

14 I got a quick question for you. I know  
15 pre-COVID, the university had a lot of leadership  
16 training and engagement on a national level. It's  
17 common for folks to travel and do your leadership  
18 program and that type of thing. How is the program  
19 in the university doing now? Has that picked back  
20 up, or are you doing a lot more virtual engagement?

21 DR. JAMISON: So we are -- our emphasis is  
22 doing things in person, especially with leadership.  
23 Leadership is not a cognitive process. It's a  
24 people process, and so you really need to be with  
25 people. So most of our work on leadership is in

1 person still.

2 We did do one on-line workshop. This was  
3 focused on telecommunications companies in the  
4 Caribbean. We had worked with some of their CEOs  
5 on how are you dealing with COVID? And one of the  
6 things that they started worrying about was the  
7 next generation of leaders, are they ready to take  
8 on something that's completely unanticipated?

9 So we did a series of workshops with them just  
10 having those discussions about how did you -- how  
11 did you think about and prepare your organization  
12 for something that no one had seen before? And  
13 then what is the leadership lesson from that?

14 So that was, indeed, done on line. We try to  
15 do things in person as much as we can, and we  
16 picked back up doing things in person.

17 CHAIRMAN FAY: Great. So your -- I think  
18 your, the World Bank, the leadership training you  
19 have, you have people coming back to the university  
20 now?

21 DR. JAMISON: Yeah. We've had, since we  
22 reopened, probably about 70 people go through that  
23 workshop.

24 CHAIRMAN FAY: Okay. Great.

25 And then just one more question for you. For

1           your purposes of the research and what you do, I  
2           look as PURC, University of Florida, as being kind  
3           of the heart of the industry research, as it is in  
4           the state of Florida. Do you work collaboratively  
5           with any other institutions, universities or  
6           research institutions for some of your production?

7           DR. JAMISON: It depends upon the topic area.

8           So, for example, in the -- in the broadband  
9           area, we, right now, are launching a project that  
10          will involve people from Duke, Stanford and  
11          Pepperdine and University of North Texas, because  
12          those are where some of the experts are, so we are  
13          launching into that. So we collaborate with  
14          universities, other universities, the think tanks,  
15          we go in broader with that. It just depends upon  
16          the topic.

17          We tend to know a lot of people. We are a  
18          small shop. There is, like, five of us all  
19          together. Only two-and-a-half of us are faculty  
20          types. So we have a lot of friends that we work  
21          with.

22          CHAIRMAN FAY: Yeah, and you do a great job  
23          with it. I mean, obviously, Florida specific  
24          components are something you write a lot about.  
25          But just, as Commissioner La Rosa mentioned,

1 broadband expansion, some of these other topics,  
2 other states are facing the similar challenges, and  
3 so you look to sort of see what other research  
4 institutions or universities are doing that we can  
5 maybe piggyback off of --

6 DR. JAMISON: Yes.

7 CHAIRMAN FAY: -- or at least get information  
8 on. It sounds like you are doing that.

9 DR. JAMISON: We, we show up at the research  
10 conferences, talk with them, and present our papers  
11 as well.

12 CHAIRMAN FAY: Great. Okay. Great. Well, I  
13 am looking forward to the 50th year. Maybe Albert  
14 and Alberta will show up, or something crazy like  
15 that at the conference, but, yeah --

16 DR. JAMISON: It will be a surprise.

17 CHAIRMAN FAY: Okay. Perfect. There we go.

18 So we are excited to be there for that, and  
19 thank you for your presentation.

20 Commissioners, do you have any other questions  
21 or comments? None from the UF alumni down here?  
22 Yeah, okay. There we go.

23 All right. With that, Mr. Jamison, we do  
24 appreciate you being here this morning for your  
25 report. If we have any other questions, we will

1           have our offices follow back up with you. As  
2           always, thank you.

3           DR. JAMISON: Thank you all very much.

4           CHAIRMAN FAY: All right. Commissioners, with  
5           that, we will move into our next agenda item, which  
6           will be our General Counsel's report.

7           Mr. Hetrick, you are recognized.

8           MR. HETRICK: Thank you, Mr. Chairman. I have  
9           no report for today.

10          Thank you.

11          CHAIRMAN FAY: Okay. Great. Thank you.

12          With that, we will move on to the Executive  
13          Director's report, Mr. Baez.

14          MR. BAEZ: Thank you, Mr. Chairman. Good  
15          morning, Commissioners.

16          What I have is a brief update on legislative.  
17          We are in the middle of committee week as we speak,  
18          and by way of that, we have been invited to present  
19          later this afternoon before the House subcommittee.  
20          So we are looking forward to that. Brief overview  
21          of the Commission's activity and how they are set  
22          up.

23          A couple of bills that have made our list so  
24          far, and it is early in the process, I remind you.  
25          The first one is Senate Bill 82, filed by Senator

1           Rodriguez. And that has to do with the designation  
2           of ETCs.

3                   What the bill seeks to do, we believe, is to  
4           extend our authority to designate ETCs to the  
5           wireless companies. And I don't know the exact  
6           number, but I know that over the years -- and this  
7           has been going on for several years -- right now  
8           the State doesn't have, or the PSC doesn't have  
9           authority to designate wireless carriers as ETCs.  
10          We only have authority over the landline companies  
11          in the state. And meanwhile, ETC applications have  
12          languished at the FCC. So with that authorization,  
13          we may see a little bit quicker response times on  
14          these ETC designations if it gets transferred down  
15          to the state. So a real simple addition to the  
16          Commission's current authority, so we are keeping  
17          an eye on that one.

18                   And then the next bill has a -- they are  
19          companion bills. It's House Bill 125 and Senate  
20          Bill 194, Representative McClain and Senator Hooper  
21          are sponsoring. And that is what's shorthanded as  
22          the FMB bill, the fair market value bill, which you  
23          have seen in prior sessions. And that seeks to  
24          authorize water and wastewater utilities to  
25          petition the PSC to establish a rate base of a

1 purchase system through alternative valuation  
2 methodologies involving appraisals and such.

3 They haven't -- obviously, they haven't been  
4 heard in any committee, and we are still waiting on  
5 official assignments of them, and we will keep you  
6 updated as that happens.

7 As I said, we are presenting an overview of  
8 the agency before the House Energy and  
9 Communication and Cybersecurity Subcommittee this  
10 afternoon. I think the Office of Public Counsel is  
11 also slated to present an overview of their agency.

12 Over the next -- or next few weeks will be  
13 dedicated to introductory meetings with chairs and  
14 members of the different committees. Although, the  
15 beginning -- although, the committees had already  
16 begun gathering prior to the holidays, this is the  
17 first full week of committees.

18 If you have any questions, we will be happy to  
19 answer them. If you have questions about specific  
20 legislation, we will be happy to sit down and talk  
21 to you and coordinate with your offices.

22 CHAIRMAN FAY: Okay. Great.

23 Commissioners, any questions on the  
24 legislative update?

25 Seeing none, anything else on your report, Mr.

1 Baez?

2 MR. BAEZ: Nope. That's it.

3 CHAIRMAN FAY: Okay. Great. Thank you.

4 With that, we will take up any other matters,  
5 Commissioners, if there is anything else today?

6 Nope.

7 With that, we will adjourn the Internal  
8 Affairs meeting. We will start the Special Agenda  
9 Conference at 10:00 a.m. this morning. So it's  
10 9:49 now. We will start at 10:00 a.m.

11 Thank you.

12 (Proceedings concluded.)

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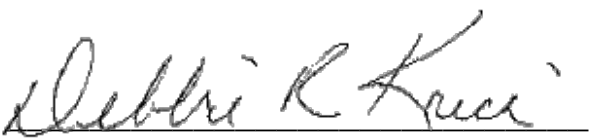
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