I. Meeting Packet

State of Florida
Public Service Commission
INTERNAL AFFAIRS AGENDA
Tuesday – September 15, 2020
9:30 am
Room 148 – Betty Easley Conference Center

1. Electric Vehicles and EV Charging – Current Issues: David Farnsworth, Regulatory Assistance Project (Attachment 1)

2. PSC staff update on EV Master Plan activities

3. Draft 2020 Regulatory Plan (Attachment 2)

4. General Counsel's Report

5. Executive Director's Report

6. Other Matters

BB/aml

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.

Attachment 1

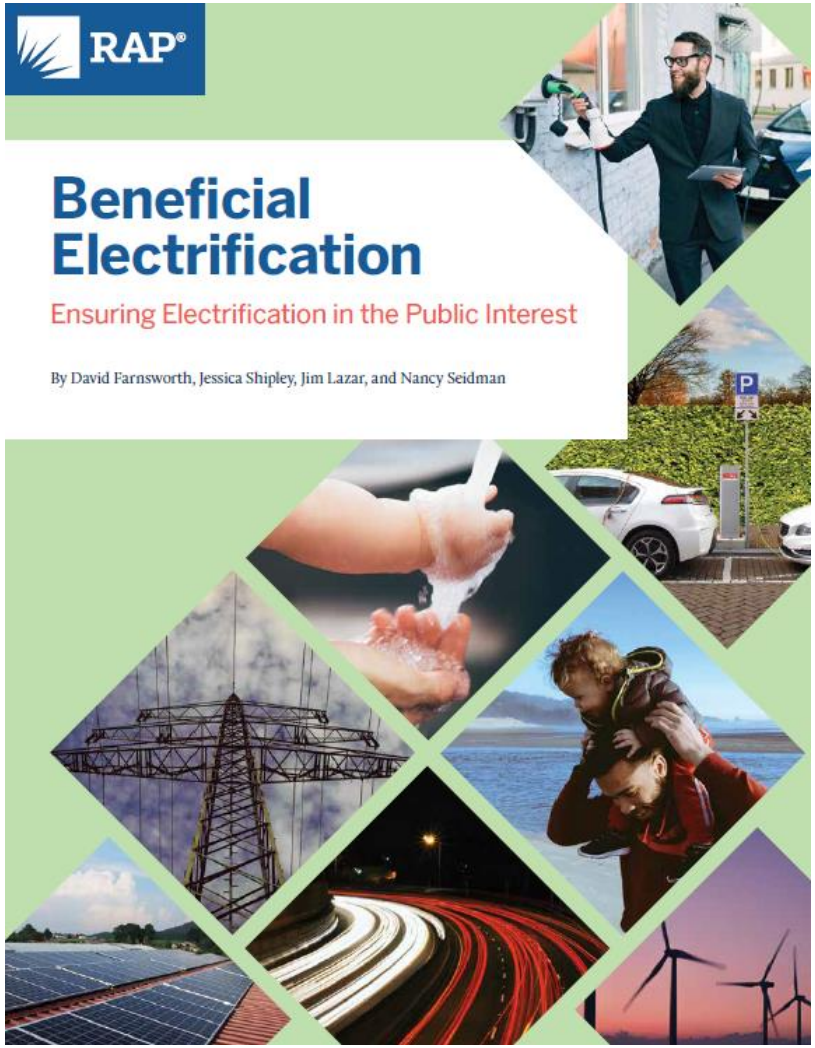
Insights for States Preparing for Electric Transportation

Presentation to the Florida Public Service Commission

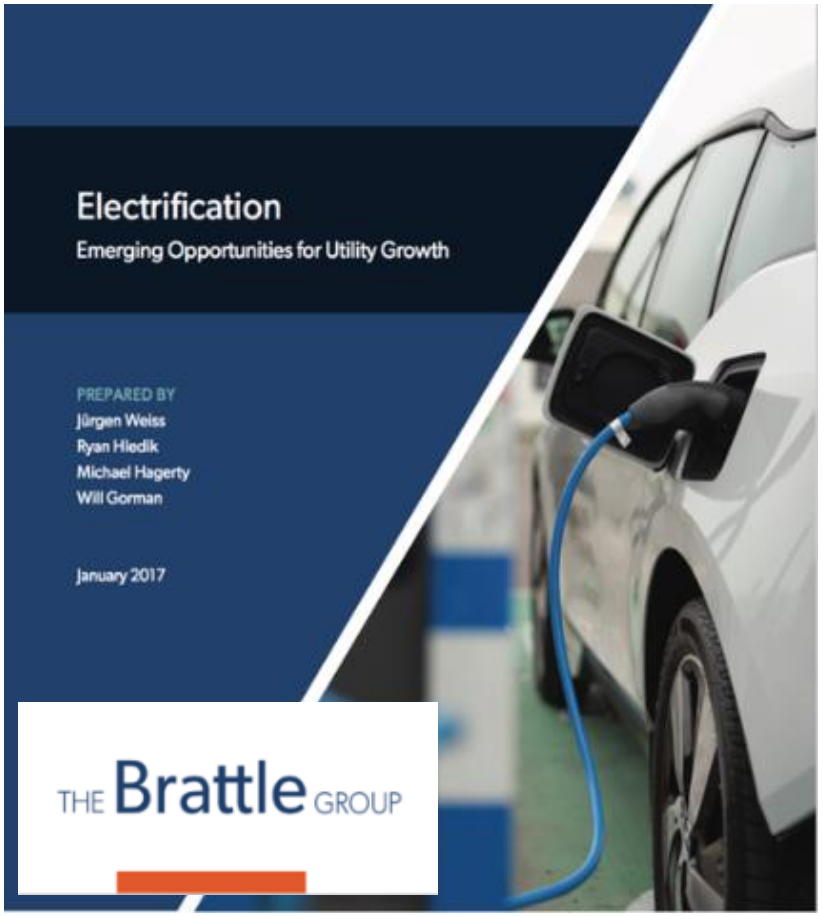
David Farnsworth
Regulatory Assistance Project

September 15, 2020

Part I – Beneficial Electrification



Isn’t all electrification created equal?



- *Brattle: “Utility sales could nearly double by 2050”!*
- *Isn’t it all about **load growth**?*

Beneficial Electrification (BE) - Three Conditions

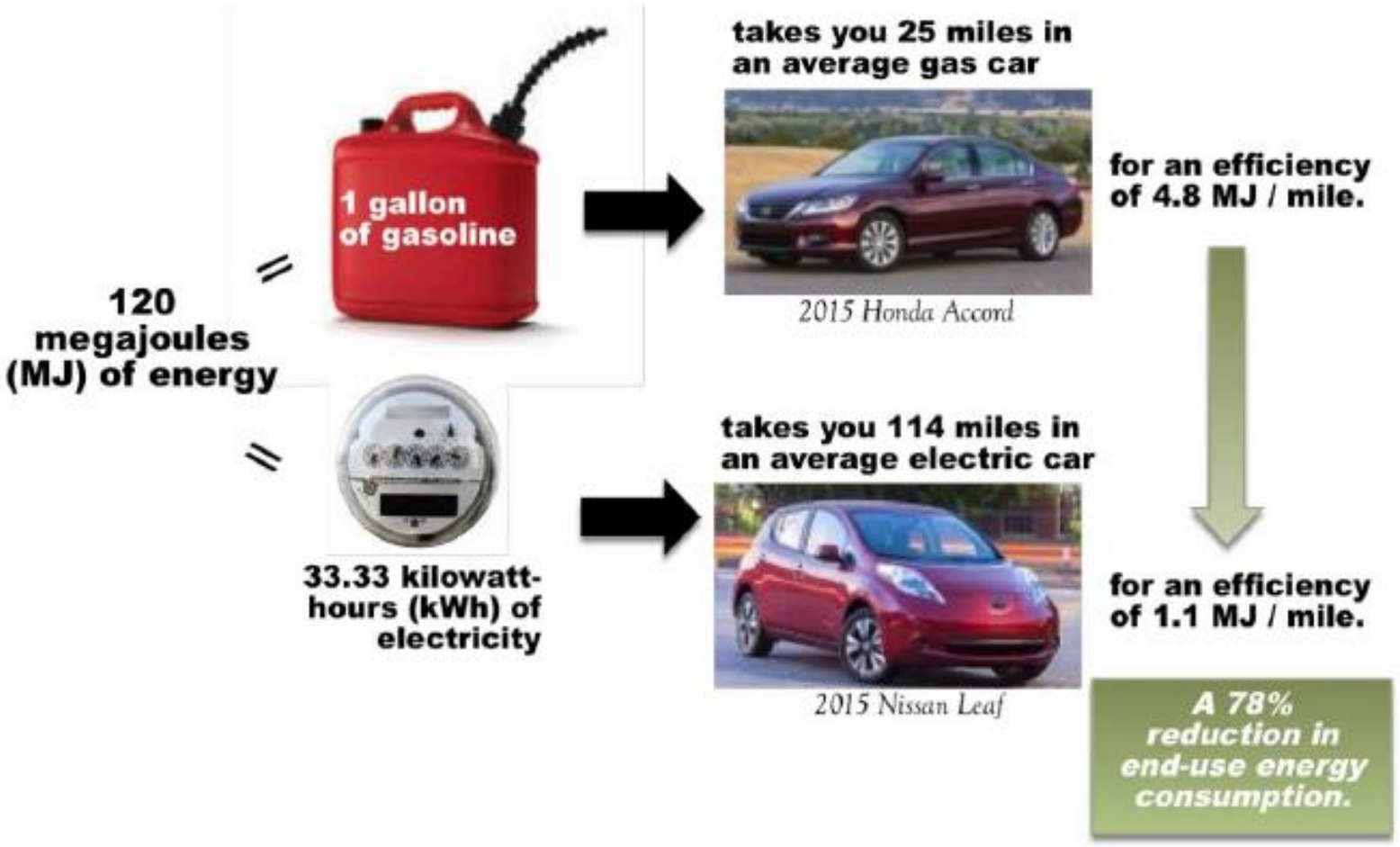
1. Saves Customers Money Over Long-Term

2. Reduces Environmental Impacts

3. Enables Better Grid Management

1. Saves Customers Money Long-Term

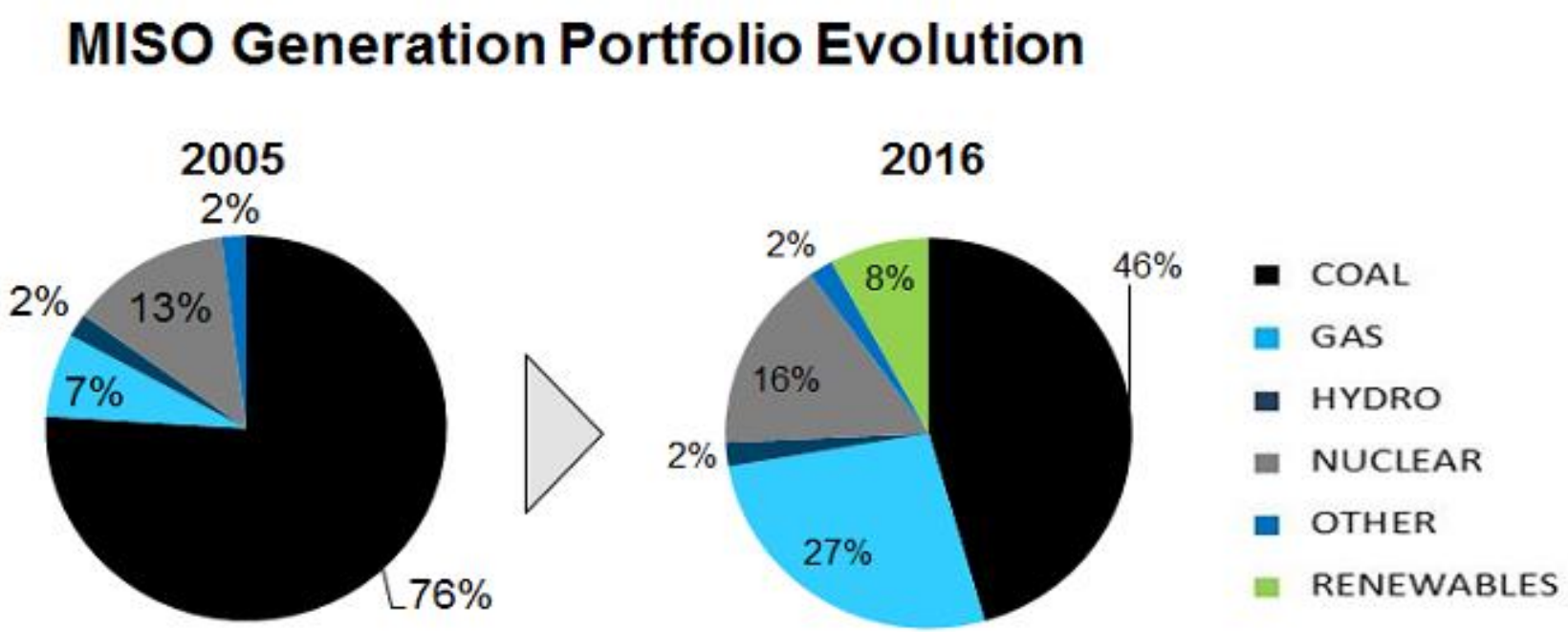
Efficiency Across Fuel Types



Source: JJ MCoy, ”Building “good load” to reduce carbon emissions”, 2016. http://nwenergy.org/wp-content/uploads/2016/01/Transpo-Electrification-TE-Workpaper-1-25-2016-FINAL.pdf.zip; https://www.chargevc.org/ev-calculator/

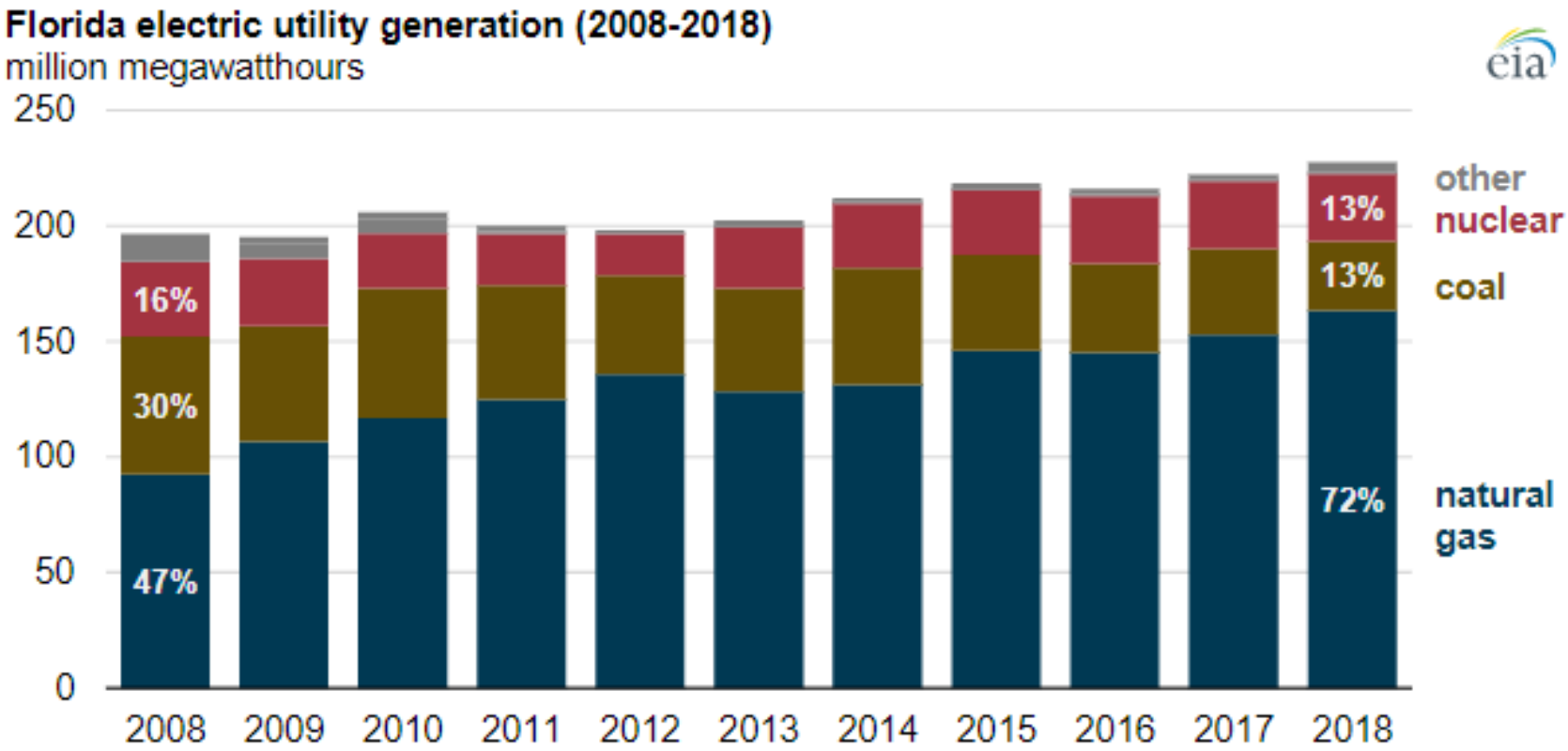
2. Reduces Environmental Impacts

Power sector fuel mix is changing: MISO example



http://www.misomatters.org/2017/03/3-electricity-industry-issues-we-are-watching-in-2017/

Power sector fuel mix is changing



3. Enables Better Grid Management

GTM, How California Can Shape, Shift and Shimmy to Demand Response Nirvana, January 26, 2017.

LBNL, California 2025 Demand Response Potential Study, 3/1/17.

Managing Load

EVs can be a **benefit** … or a **problem** for the electric grid.

Draw high amounts of power for short periods of time.

Managing Load

EV load must be managed *effectively, otherwise all ratepayers will share in the expensive costs of upgrading and maintaining the distribution system to accommodate increased load on the system.*

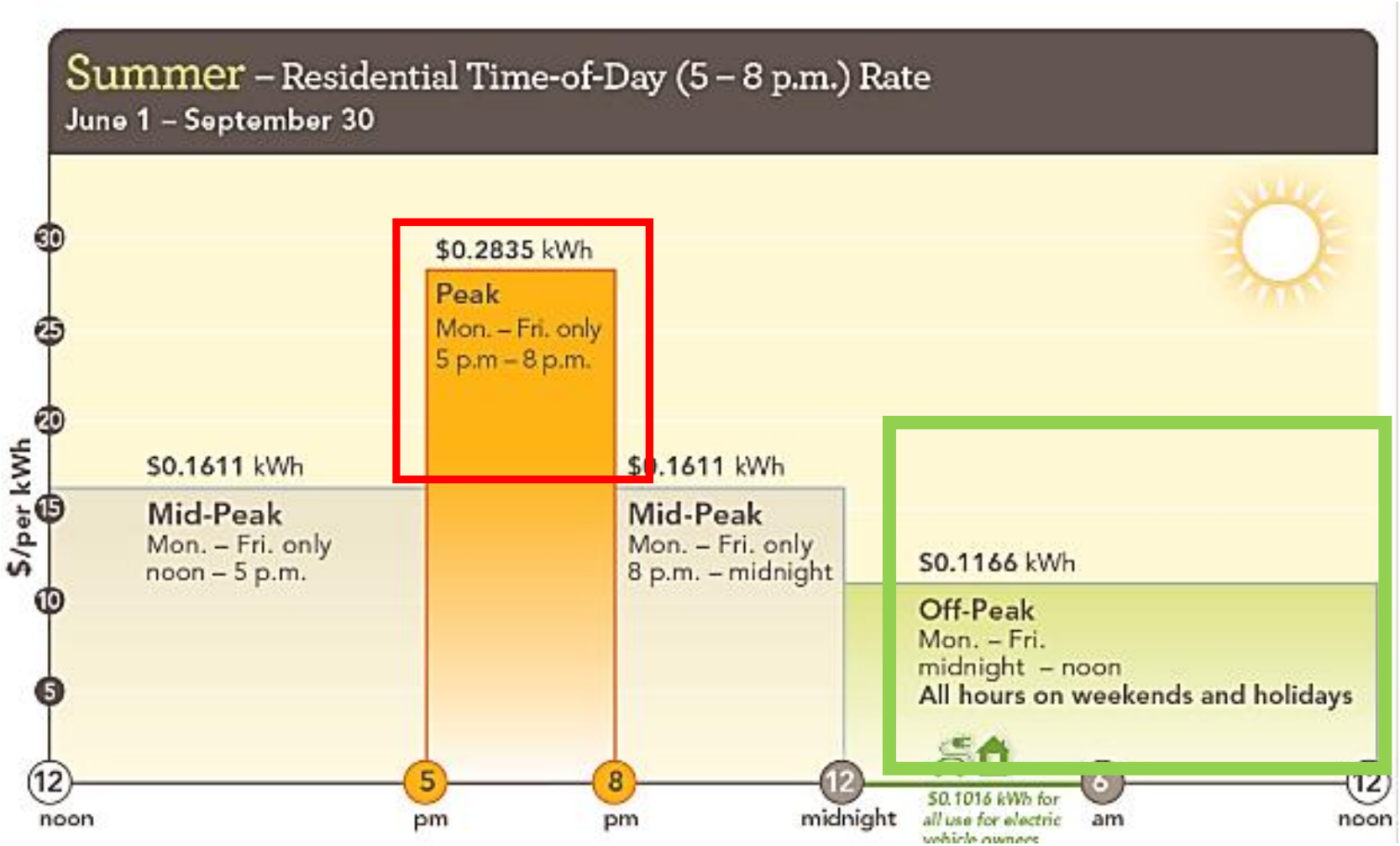
Public Service Commission of Maryland. (2019, January 14). Order No. 88997, In The Matter Of The Petition Of The Electric Vehicle Work Group For Implementation Of A Statewide Electric Vehicle Portfolio, CASE NO. 9478, p. 49.

Managing Load

Pairing EV adoption and EV charging with intelligent rate design can **improve** electric distribution **system utilization** and create **downward pressure on rates** through load management and system peak reduction.

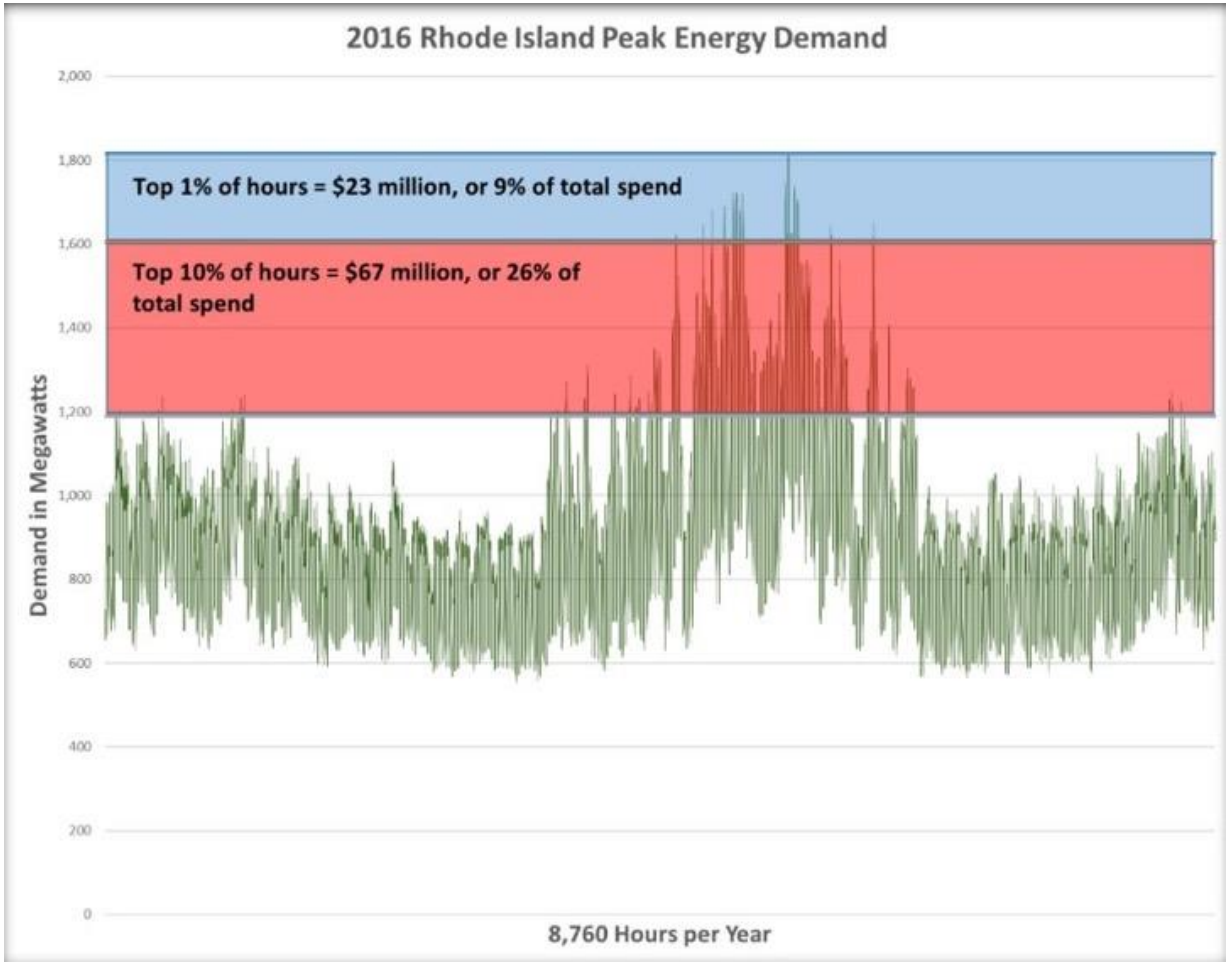
Public Service Commission of Maryland. (2019, January 14). Order No. 88997, In The Matter Of The Petition Of The Electric Vehicle Work Group For Implementation Of A Statewide Electric Vehicle Portfolio, CASE NO. 9478, p. 43-44.

Rates



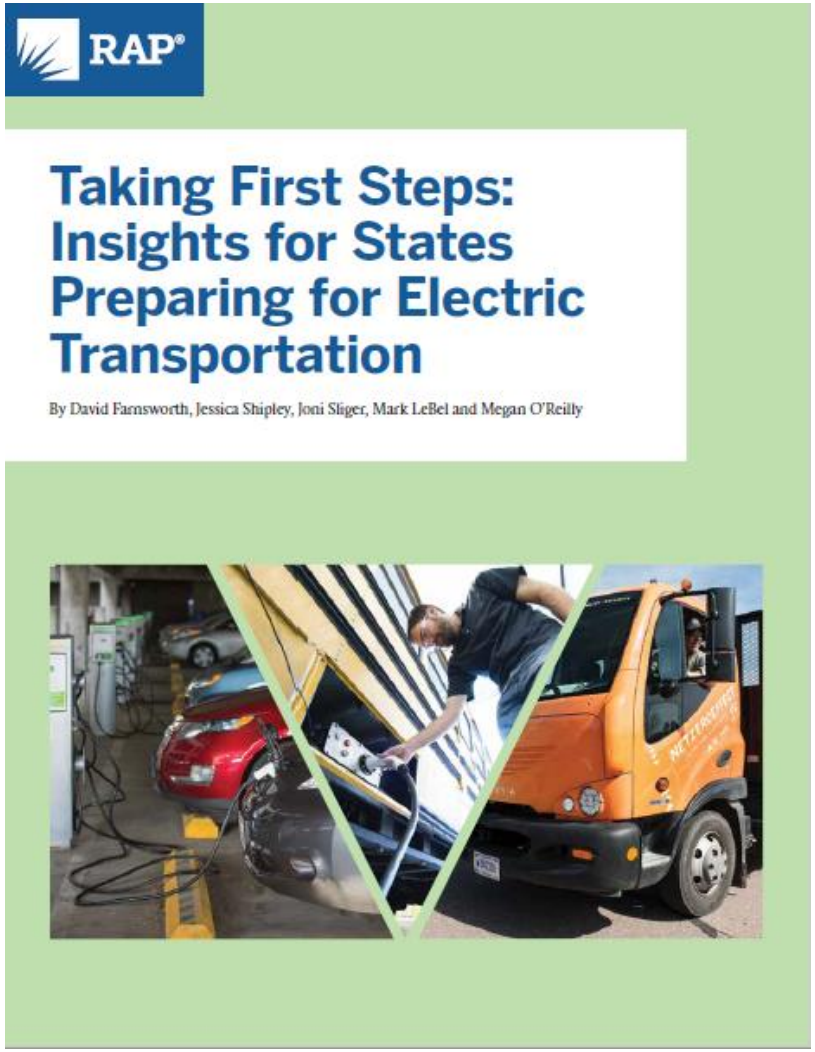
Source: Sacramento Municipal Utility District https://www.smud.org/en/Rate-Information/Time-of-Day-Rates/Time-of-Day-5-8pm-Rate

At Least, Avoid High-Cost Hours



Source: Rhode Island Power Sector Transformation, Phase One Report to Governor Gina M. Raimondo (November 2017)

Part II – Taking First Steps



State Processes

- Coordination with other Parts of Government
- Stakeholders Can Help

Managing EV Load

- Understanding EVs means appreciating the flexibility that they possess and can add to the power grid.
- This can
  - Increase reliability,
  - Improve capabilities of other resources on the grid, and
  - Create conditions for lower rates.

Rate Design

- Regardless of the type of charging — residential, fleet or multi-unit dwellings — it is critical for utilities to manage EV load to benefit all ratepayers and the state.
- Effective rate designs can also protect non-EV customers (and EV customers who charge off-peak) from subsidizing the system costs imposed by the EV customer who charges during peak periods.

EV Charging

- Each charging sub-market (residential; multi-unit; workplace and commercial; public; and transit) has its own characteristics including:
  - Power levels, optimal charging times, and degree of market penetration by competitive suppliers.
- Consequently, there are various models for EVSE investment and ownership.

The Importance of Programs

- The Consumer perspective -- **programs** are what customers see.
  - Are they accessible and helpful?
- There is a difference between implementing a (utility) program and successfully selling a service.

Using Pilots

- Pilot programs are transitional arrangements.
  - They allow experimentation under time and budget limitations.
  - They provide opportunities for learning and gaining experience, a key to scaling up to more permanent programs.

Recommendations

1. Find opportunities and be willing to learn as you go:
    - Coordinate with other parts of state government,
    - Informally convene stakeholders.

Recommendations

2. Consider encouraging pilot programs that provide you with relevant EV-related information regarding costs and benefits, and that would support moving to scale.

Recommendations

Example – for a fixed budget, time frame and number of customers, gather data related to a TOU rate design for managed EV charging, including:

- Avoided utility costs (e.g., supply, dist. system upgrades), and
- Customer response, and savings.

Electrification: Some RAP Resources

- *Roadmap for Electric Transportation*
- *Taking First Steps: Insights for States Preparing for Electric Transportation*
- *Beneficial Electrification: Ensuring Electrification in the Public Interest*
- *Beneficial Electrification of Transportation*
- Getting From Here to There: Regulatory Considerations for Transportation Electrification
- BLOG: *We All Wish We Were More Flexible: Electrification Load as a Grid Flexibility Resource*

About RAP

The Regulatory Assistance Project (RAP)® is an independent, non-partisan, non-governmental organization dedicated to accelerating the transition to a clean, reliable, and efficient energy future.

Learn more about our work at raponline.org

David Farnsworth
Principal

Level 2 EV charging is a lot like… an electric water heater!

Really!

Electric Vehicle

- 3.3 – 6.6 kW
- 2,000 – 4,000 kWh/year
- Can avoid morning and early evening peak charging
- Batteries likely equal a full day's supply

Water Heater

- 4.4 – 5.5 kW
- 2,000 – 4,000 kWh/year
- Can avoid morning and early evening peak charging
- Tank usually covers a full day's supply

Attachment 2

State of Florida

Public Service Commission

CAPITAL CIRCLE OFFICE CENTER ● 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: September 3, 2020

TO: Braulio L. Baez, Executive Director

FROM: Kathryn G.W. Cowdery, Senior Attorney, Office of the General Counsel KGWC

RE: Florida Public Service Commission 2020 Regulatory Plan

CRITICAL INFORMATION: Please place on the 09/15/20 Internal Affairs.

Commission approval is sought

Pursuant to Section 120.74(1), Florida Statutes (F.S.), the Commission must prepare a regulatory plan by October 1 of each year. The plan must include a listing of each law enacted or amended during the previous 12 months that creates or modifies the duties or authority of the agency. The Commission must also include a listing of each statute which the Commission expects to implement by rulemaking before July 1, 2021, and must include any update to the 2019 Regulatory Plan. The plan must also include a certification verifying that the persons executing the certification have reviewed the plan and that the agency regularly reviews its rules to determine consistency with the agency's rulemaking authority and the laws implemented.

Section 120.74(2), F.S., requires that by October 1 of each year, the regulatory plan must be published on the Commission's website and electronically delivered to the Joint Administrative Procedures Committee (JAPC). Also by October 1, the Commission must publish a notice in the Florida Administrative Register that gives the date the Regulatory Plan was published on the Commission's website.

In order to comply with the statutory October 1, 2020 deadline, staff is seeking Commission approval of the 2020 Regulatory Plan at the September 15, 2020 Internal Affairs. The transmittal letter to JAPC contains the certification required by Section 120.74(1)(d), F.S. The list of laws that create or modify the Commission's duties or authority is attached to the certification letter as Attachment A. Attachment B to the certification letter is the Commission's list of laws that it expects to implement through rule adoption, amendment, or repeal before July 1, 2021. The Commission's report that it has no laws or updates to the 2019 Regulatory Plan is Attachment C to the certification letter.

Cc: Keith Hetrick, General Counsel
Apryl Lynn, Deputy Executive Director, Administrative
Mark Futrell, Deputy Executive Director, Technical

STATE OF FLORIDA

GARY F. CLARK
CHAIRMAN

Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
(850) 413-6038

Public Service Commission

September ___, 2020

DELIVERED VIA E-MAIL **DRAFT**

Kenneth J. Plante
Coordinator
Joint Administrative Procedures Committee
680 Pepper Building
111 W. Madison Street
Tallahassee, FL 32399-1400

Re: Florida Public Service Commission's 2020 Regulatory Plan

Dear Mr. Plante:

The Florida Public Service Commission (Commission) hereby files its 2020 Regulatory Plan pursuant to Section 120.74, Florida Statutes (F.S.).

Section 120.74(1)(a), F.S., requires a listing of each law enacted or amended during the previous 12 months which creates or modifies the duties or authority of the agency. For each law listed under paragraph (a), the plan must state whether rule adoption is required to implement the law, and if so, whether a notice of rule development has been published and the date by which the agency expects to publish the notice of proposed rule. The Commission's report of laws pursuant to Section 120.74(1)(a), F.S., is attached hereto as Attachment A.

Section 120.74(1)(b), F.S., states that the regulatory plan must also include a listing of each law not listed pursuant to Section 120.74(1)(a), F.S., that the agency expects to implement by rulemaking before the following July 1. For each law listed under paragraph (b), the plan must state whether the rulemaking is intended to simplify, clarify, increase efficiency, improve coordination with other agencies, reduce costs, or delete obsolete, unnecessary, or redundant rules. The Commission's report of laws pursuant to Section 120.74(1)(b), F.S., is attached hereto as Attachment B.

Section 120.74(1)(c), F.S., requires an identification and listing of laws that were previously identified in a prior year's regulatory plan as requiring rulemaking to implement, but for which a notice of proposed rule has not been published. The Commission has no laws or updates to report pursuant to Section 120.74 (1)(c), F.S. The Commission's report that it has no laws or updates to the 2019 Regulatory Plan is attached hereto as Attachment C.

Section 120.74(1)(d), F.S., requires the plan to include a certification. Pursuant to Section 120.74(1)(d), F.S., we hereby verify that we have reviewed the attached regulatory plan. We further verify that the Commission regularly reviews all of its rules and that the Commission's rules were most recently reviewed for the period July 2, 2017, through July 1, 2020, to determine if the rules remain consistent with the Commission's rulemaking authority and the laws implemented.

GARY F. CLARK
Chairman
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770

KEITH HETRICK
General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770

Enclosures

KGWC

LAWS CREATING OR MODIFYING DUTIES OR AUTHORITY
SECTION 120.74(1)(a), F.S.

Laws	Rulemaking Necessary	Notice of Rule Development Published	Expected Date of Notice of Proposed Rule	Reason Why Rulemaking Is Not Necessary
Section 119.071, F.S., General exemption from inspection or copying of public records; concerning security and fire safety (Ch. 2020-013, Laws of Florida)	No	N/A	N/A	Applies to all agencies. The statute is specific as to public record exemptions and is self executing.
Section 286.0113, F.S., General exemptions from public meetings; concerning exemption for information and documents concerning security and fire safety (Ch. 2020-013, Laws of Florida)	No	N/A	N/A	Applies to all agencies. The statute is specific as to public meeting exemptions and is self executing.
Section 339.287, F.S., Electric vehicle charging statons; infrastructure plan development, requires the Florida Department of Transportation to prepare a master plan on electric vehicle charging infrastructure development. The Commission is required to consult with FDOT on certain aspects of the plan, along with the Department of Agriculture and Consumer Services and the Office of Energy. (Ch. 2020-21, Laws of Florida)	No	N/A	N/A	The statute is specific and contains all necessary requirements, and therefore rulemaking is not necessary to implement the statute.
Section 350.113, F.S., Florida Public Service Regulatory Trust Fund, moneys to be deposited therein; obsolete language deleted (Ch. 2020-002, Laws of Florida)	No	N/A	N/A	A Revisor's Bill deleted obsolete language, and no rulemaking is necessary.

FLORIDA PUBLIC SERVICE COMMISSION
ATTACHMENT A
2019 REGULATORY PLAN

LAWS CREATING OR MODIFYING DUTIES OR AUTHORITY
SECTION 120.74(1)(a), F.S.

Laws	Rulemaking Necessary	Notice of Rule Development Published	Expected Date of Notice of Proposed Rule	Reason Why Rulemaking Is Not Necessary
Section 367.022, F.S., Exemptions, creates exemption from Commission regulation for owners of mobile home parks operating both as a mobile home park and a mobile home subdivision providing service to both tenants and lot owners if service to tenants is without specific compensation; and clarifies language for resale exemption (Ch. 2020-027, Laws of Florida)	No	N/A	N/A	The statute is specific as to the exemption created, contains all necessary requirements for exemption, and therefore rulemaking is not necessary to implement the statute.

LAWS NOT CREATING OR MODIFYING DUTIES OR AUTHORITY
SECTION 120.74(1)(b), F.S.

Laws	Intent of Rulemaking
Section 120.52, F.S.	To consider whether to repeal Rule 25-22.107, F.A.C., Plan for Making Orders Available to the Public, and move to the Commission's Statement of Agency Organization and Operations
Section 120.53, F.S.	To consider whether to repeal Rule 25-22.100, F.A.C., Authority, and move to the Commission's Statement of Agency Organization and Operations To consider whether to repeal Rule 25-22.101, F.A.C., Purpose, and move to the Commission's Statement of Agency Organization and Operations To consider whether to repeal Rule 25-22.1035, F.A.C., Official Reporter for Final Orders, and move to the Commission's Statement of Agency Organization and Operations To consider whether to repeal Rule 25-22.104, F.A.C., Numbering of Orders, and move to the Commission's Statement of Agency Organization and Operations To consider whether to repeal Rule 25-22.105, F.A.C., Electronic Database of Orders and Other Records, and move to the Commission's Statement of Agency Organization and Operations
Section 120.569, F.S.	To consider whether to amend or repeal Rule 25-22.033, F.A.C., Communications Between Commission Employees and Parties, to eliminate language which duplicates language in the Commission's Administrative Procedures Manual, Uniform Rules of Procedure, and Section 120.66, F.S. To amend Rule 25-22.0407, F.A.C., Notice of and Public Information for General Rate Increase Requests by Water and Wastewater Utilities, to update rule requirements
Section 120.57, F.S.	To consider whether to amend or repeal Rule 25-22.033, F.A.C., Communications Between Commission Employees and Parties, to eliminate language which duplicates language in the Commission's Administrative Procedures Manual, Uniform Rules of Procedure, and Section 120.66, F.S. To amend Rule 25-22.0407, F.A.C., Notice of and Public Information for General Rate Increase Requests by Water and Wastewater Utilities, to update rule requirements

LAWS NOT CREATING OR MODIFYING DUTIES OR AUTHORITY
SECTION 120.74(1)(b), F.S.

Laws	Intent of Rulemaking
Section 350.042, F.S.	To consider whether to amend or repeal Rule 25-22.033, F.A.C., Communications Between Commission Employees and Parties, to eliminate language which duplicates language in the Commission's Administrative Procedures Manual, Uniform Rules of Procedure, and Section 120.66, F.S.
Section 350.115, F.S.	To amend Rule 25-6.0141, F.A.C., Allowance for Funds Used During Construction, to remove outdated language To amend Rule 25-6.0142, F.A.C., Uniform Retirement Units for Electric Utilities, to update the Code of Federal Regulations reference in subsection (1) and to include a link to the F.A.C. website for the List of Retirement Units that is incorporated by reference in subsection (3) To amend Rule 25-6.0143, F.A.C., Use of Accumulated Provision Accounts 228.1, 228.2, and 228.4, to add clarity and specificity to rule language and requirements To repeal Rule 25-6.082, F.A.C., Records and Reports, as obsolete To amend Rule 25-7.0141, F.A.C., Allowance for Funds Used During Construction, to specify rule requirements To adopt Rule 25-7.0143, F.A.C., Use of Accumulated Provision Accounts 228.1, 228.2, and 228.4, to provide an industry-specific standard for application of accounts 228.1, 228.2, and 228.4 in the natural gas industry To amend Rule 25-30.116, F.A.C., Allowance for Funds Used During Construction, to update and clarify rule requirements
Section 350.121, F.S.	To amend paragraph (4)(a) of Rule 25-22.006, F.A.C., Confidential Information, to change the number of copies required to be filed to be consistent with current filing requirements
Section 364.03, F.S	To amend Rule 25-14.013, F.A.C., Accounting for Deferred Income Taxes Under SFAS 109, to replace obsolete references to accounting standards with current standards; to update language in the rule to reference the Tax Cuts and Job Act of 2017; and to determine whether references to the IRS code and Revenue Procedure 88-12 need to be replaced with updated references To amend Rule 25-14.014, F.A.C., Accounting for Asset Retirement Obligations Under SFAS 143, to replace the obsolete reference to SFAS 143 with the current standard

LAWS NOT CREATING OR MODIFYING DUTIES OR AUTHORITY
SECTION 120.74(1)(b), F.S.

Laws	Intent of Rulemaking
Section 364.035, F.S.	To amend Rule 25-14.013, F.A.C., Accounting for Deferred Income Taxes Under SFAS 109, to replace obsolete references to accounting standards with current standards; to update language in the rule to reference the Tax Cuts and Job Act of 2017; and to determine whether references to the IRS code and Revenue Procedure 88-12 need to be replaced with updated references To amend Rule 25-14.014, F.A.C., Accounting for Asset Retirement Obligations Under SFAS 143, to replace the obsolete reference to SFAS 143 with the current standard
Section 364.17, F.S.	To amend Rule 25-14.012, F.A.C., Accounting for Postretirement Benefits Other Than Pensions, to replace obsolete references to Statement of Financial Accounting Standards 106 and 71 with current accounting standards
Section 364.183, F.S.	To amend paragraph (4)(a) of Rule 25-22.006, F.A.C., Confidential Information, to change the number of copies required to be filed to be consistent with current filing requirements
Section 364.33, F.S.	To amend Rule 25-4.511, F.A.C., Application for Original or Transfer of Pay Telephone Certificate, to remove language concerning transfers of Pay Telephone Certificates as unnecessary to implementation of the statute
Section 364.335, F.S.	To amend Rule 25-4.511, F.A.C., Application for Original or Transfer of Pay Telephone Certificate, to remove language concerning transfers of Pay Telephone Certificates as unnecessary to implementation of the statute
Section 364.3375, F.S.	To amend Rule 25-4.511, F.A.C., Application for Original or Transfer of Pay Telephone Certificate, to remove language concerning transfers of Pay Telephone Certificates as unnecessary to implementation of the statute
Section 366.02, F.S.	To consider whether to amend Rule 25-6.065, F.A.C., Interconnection and Net Metering of Customer-Owned Renewable Generation, to update rule requirements
Section 366.03, F.S.	To amend Rule 25-6.0406, F.A.C., Notice of and Public Information for General Rate Increase Requests and Petitions for Limited Proceedings by Electric and Gas Utilities, to update rule requirements To consider whether to amend Rule 25-6.0455, F.A.C., Annual Distribution Service Reliability Reports, to conform with new storm protection rules adopted pursuant to Section 366.96, F.S. (2019), Public Utility Transmission and Distribution Storm Protection Plans

LAWS NOT CREATING OR MODIFYING DUTIES OR AUTHORITY
SECTION 120.74(1)(b), F.S.

Laws	Intent of Rulemaking
Section 366.03, F.S. (Cont.)	To repeal Rule 25-6.047, F.A.C., Constant Current Standards, as obsolete To amend Rule 25-6.064, F.A.C., Contribution-in-Aid-of-Construction for Installation of New or Upgraded Facilities, to conform with new storm protection rules adopted pursuant to Section 366.96, F.S. (2019), Public Utility Transmission and Distribution Storm Protection Plans To amend Rule 25-6.074, F.A.C., Applicability, to delete unnecessary language and to clarify rule requirements To amend 25-6.078, F.A.C., Schedule of Charges, Installation of Underground Distribution Systems Within New Subdivisions, to conform with new storm protection rules adopted pursuant to Section 366.96, F.S. (2019), Public Utility Transmission and Distribution Storm Protection Plans To repeal Rule 25-6.081, F.A.C., Construction Practices, as unnecessary and obsolete To repeal Rule 25-6.082, F.A.C., Records and Reports, as obsolete To amend Rule 25-6.104, F.A.C., Unauthorized Use of Energy, to clarify the rule requirements To amend Rule 25-6.115, F.A.C., Facility Charges for Conversion of Existing Overhead Investor-owned Distribution Facilities, to conform with new storm protection rules adopted pursuant to Section 366.96, F.S. (2019), Public Utility Transmission and Distribution Storm Protection Plans To amend Rule 25-22.0406, F.A.C., Notice and Public Information on General Rate Increase Requests and Petitions for Limited Proceedings by Electric and Gas Utilities, to update rule requirements
Section 366.04, F.S.	To amend Rule 25-6.0141, F.A.C., Allowance for Funds Used During Construction, to remove outdated language To amend Rule 25-6.0143, F.A.C., Use of Accumulated Provision Acciounts 228.1, 228.2, and 228.4, to add clarity and specificity to rule language and requirements To amend Rule 25-6.0343, F.A.C., Municipal Electric Utility and Rural Electric Cooperative Reporting Requirements, to conform with new storm protection rules to be enacted pursuant to Section 366.96, F.S. (2019), Public Utility Transmission and Distribution Storm Protection Plans

LAWS NOT CREATING OR MODIFYING DUTIES OR AUTHORITY
SECTION 120.74(1)(b), F.S.

Laws	Intent of Rulemaking
Section 366.04, F.S. (Cont.)	To amend Rule 25-6.043, F.A.C., Invester-Owned Electric Utility Minimum Filing Requirements: Commission Designee, to update rule requirements To consider whether to amend Rule 25-6.0455, F.A.C., Annual Distribution Service Reliability Reports, to conform with new storm protection rules adopted pursuant to Section 366.96, F.S. (2019), Public Utility Transmission and Distribution Storm Protection Plans To repeal Rule 25-6.047, F.A.C., Constant Current Standards, as obsolete To consider whether to amend Rule 25-6.065, F.A.C., Interconnection and Net Metering of Customer-Owned Renewable Generation, to update rule requirements To amend Rule 25-6.078, F.A.C., Schedule of Charges, Installation of Underground Distribution Systems Within New Subdivisions, to to conform with new storm protection rules adopted pursuant to Section 366.96, F.S. (2019), Public Utility Transmission and Distribution Storm Protection Plans To amend Rule 25-6.082, F.A.C., Records and Reports, to clarify rule requirements To amend Rule 25-6.115, F.A.C., Facility Charges for Conversion of Existing Overhead Investor-owned Distribution Facilities, to conform with new storm protection rules adopted pursuant to Section 366.96, F.S. (2019), Public Utility Transmission and Distribution Storm Protection Plans To adopt Rule 25-7.0143, F.A.C., Use of Accumulated Provision Accounts 228.1, 228.2, and 228.4, to provide an industry-specific standard for application of accounts 228.1, 228.2, and 228.4 in the natural gas industry To amend Rule 25-14.012, F.A.C., Accounting for Postretirement Benefits Other Than Pensions, to replace obsolete references to Statement of Financial Accounting Standards 106 and 71 with current accounting standards
Section 366.041, F.S.	To amend Rule 25-6.0142, F.A.C., Uniform Retirement Units for Electric Utilities, to update the Code of Federal Regulations reference in subsection (1) and to include a link to the F.A.C. website for the List of Retirement Units that is incorporated by reference in subsection (3) To consider whether to amend Rule 25-6.065, F.A.C., Interconnection and Net Metering of Customer-Owned Renewable Generation, to update rule requirements

LAWS NOT CREATING OR MODIFYING DUTIES OR AUTHORITY
SECTION 120.74(1)(b), F.S.

Laws	Intent of Rulemaking
Section 366.041, F.S. (Cont.)	To amend Rule 25-22.0406, F.A.C., Notice and Public Information on General Rate Increase Requests and Petitions for Limited Proceedings by Electric and Gas Utilities, to update rule requirements
Section 366.05, F.S.	To consider whether to amend Rule 25-6.0455, F.A.C., Annual Distribution Service Reliability Reports, to conform with new storm protection rules adopted pursuant to Section 366.96, F.S. (2019), Public Utility Transmission and Distribution Storm Protection Plans To amend Rule 25-6.054, F.A.C., Laboratory Standards, to clarify rule requirements To amend Rule 25-6.064, F.A.C., Contribution-in-Aid-of-Construction for Installation of New or Upgraded Facilities, to conform with new storm protection rules adopted pursuant to Section 366.96, F.S. (2019), Public Utility Transmission and Distribution Storm Protection Plans To consider whether to amend Rule 25-6.065, F.A.C., Interconnection and Net Metering of Customer-Owned Renewable Generation, to update rule requirements To amend Rule 25-6.104, F.A.C., Unauthorized Use of Energy, to clarify rule requirements To amend Rule 25-6.115, F.A.C., Facility Charges for Conversion of Existing Overhead Investor-owned Distribution Facilities, to conform with new storm protection rules adopted pursuant to Section 366.96, F.S. (2019), Public Utility Transmission and Distribution Storm Protection Plans To amend Rule 25-7.0141, F.A.C., Allowance for Funds Used During Construction, to specify rule requirements To adopt new in Chapter 25-9, F.A.C., Effective Date of Approved Rates and Charges, to address the date on which a utility may begin applying approved rates and charges to a customer's bill for service renedered To amend Rule 25-14.013, F.A.C., Accounting for Deferred Income Taxes Under SFAS 109, to replace obsolete references to accounting standards with current standards; to update language in the rule to reference the Tax Cuts and Job Act of 2017; and to determine whether references to the IRS code and Revenue Procedure 88-12 need to be replaced with updated references

LAWS NOT CREATING OR MODIFYING DUTIES OR AUTHORITY
SECTION 120.74(1)(b), F.S.

Laws	Intent of Rulemaking
Section 366.05, F.S. (Cont.)	To amend Rule 25-14.014, F.A.C., Accounting for Asset Retirement Obligations Under SFAS 143, to replace the obsolete reference to SFAS 143 with the current standard To amend Rule 25-22.0406, F.A.C., Notice and Public Information on General Rate Increase Requests and Petitions for Limited Proceedings by Electric and Gas Utilities, to update rule requirements
Section 366.06, F.S.	To amend Rule 25-6.0141, F.A.C., Allowance for Funds Used During Construction, to remove outdated language. To amend Rule 25-6.0142, F.A.C., Uniform Retirement Units for Electric Utilities, to update the Code of Federal Regulations reference in subsection (1) and to include a link to the F.A.C. website for the List of Retirement Units that is incorporated by reference in subsection (3) To amend Rule 25-6.043, F.A.C., Invester-Owned Electric Utility Minimum Filing Requirements: Commission Designee, to update rule requirements To amend Rule 25-6.064, F.A.C., Contribution-in-Aid-of-Construction for Installation of New or Upgraded Facilities, to conform with new storm protection rules adopted pursuant to Section 366.96, F.S. (2019), Public Utility Transmission and Distribution Storm Protection Plans To amend Rule 25-6.078, F.A.C., Schedule of Charges, Installation of Underground Distribution Systems Within New Subdivisions, to conform with new storm protection rules adopted pursuant to Section 366.96, F.S. (2019), Public Utility Transmission and Distribution Storm Protection Plans To amend Rule 25-7.0141, F.A.C., Allowance for Funds Used During Construction, to specify rule requirements To amend Rule 25-7.039, F.A.C., Natural Gas Utility Minimum Filing Requirements; Commission Designee, to update Sectionrule requirements To adopt new rule in Chapter 25-9, F.A.C., Effective Date of Approved Rates and Charges, to address the date on which a utility may begin applying approved rates and charges to a customer’s bill for service renedered To amend Rule 25-22.0406, F.A.C., Notice and Public Information on General Rate Increase Requests and Petitions for Limited Proceedings by Electric and Gas Utilities, to update rule requirements

LAWS NOT CREATING OR MODIFYING DUTIES OR AUTHORITY
SECTION 120.74(1)(b), F.S.

Laws	Intent of Rulemaking
Section 366.071, F.S.	To amend Rule 25-6.043, F.A.C., Invester-Owned Electric Utility Minimum Filing Requirements: Commission Designee, to update rule requirements To amend Rule 25-7.039, F.A.C., Natural Gas Utility Minimum Filing Requirements; Commission Designee, to update rule requirements
Section 366.076, F.S.	To amend Rule 25-22.0406, F.A.C., Notice and Public Information on General Rate Increase Requests and Petitions for Limited Proceedings by Electric and Gas Utilities, to update rule requirements
Section 366.08, F.S.	To amend Rule 25-6.0141, F.A.C., Allowance for Funds Used During Construction, to remove outdated language
Section 366.093, F.S.	To amend paragraph (4)(a) of Rule 25-22.006, F.A.C., Confidential Information, to change the number of copies required to be filed to be consistent with current filing requirements
Section 366.81, F.S.	To consider whether to amend Rule 25-6.065, F.A.C., Interconnection and Net Metering of Customer-Owned Renewable Generation, to update rule requirements
Section 366.82, F.S.	To consider whether to amend Rule 25-6.065, F.A.C., Interconnection and Net Metering of Customer-Owned Renewable Generation, to update rule requirements To amend Rule 25-17.0021, F.A.C., Goals for Electric Utilities, to update rule requirements
Section 366.91, F.S.	To consider whether to amend Rule 25-6.065, F.A.C., Interconnection and Net Metering of Customer-Owned Renewable Generation, to update rule requirements
Section 366.92, F.S.	To consider whether to amend Rule 25-6.065, F.A.C., Interconnection and Net Metering of Customer-Owned Renewable Generation, to update rule requirements
Section 367.071, F.S.	To amend Rule 25-30.0371, F.A.C., Acquisition Adjustments, to update the rule to address current industry practices
Section 367.081, F.S.	To amend Rule 25-22.0407, F.A.C., Notice of and Public Information for General Rate Increase Requests by Water and Wastewater Utilities, to update rule requirements

LAWS NOT CREATING OR MODIFYING DUTIES OR AUTHORITY
SECTION 120.74(1)(b), F.S.

Laws	Intent of Rulemaking
Section 367.081, F.S. (Cont.)	To consider whether to adopt a new rule in Chapter 25-30, F.A.C., to address water transmission distribution and wastewater collection used and useful considerations To amend Rule 25-30.0371, F.A.C., Acquisition Adjustments, to update the rule to address current industry practice To amend Rule 25-30.116, F.A.C., Contributions in Aid of Construction, to update and clarify rule requirements To amend Rule 25-30.436, F.A.C., General Information and Instructions Required of Class A and B Water and Wastewater Utilities in an Application for Rate Increase, to update rule requirements To amend Rule 25-30.437, F.A.C., Financial, Rate and Engineering Information Required of Class A and B Water and Wastewater Utilities in an Application for Rate Increase, F.A.C., to update rule requirements To repeal Rule 25-30.438, F.A.C., Information Required in Application for Rate Increase From Utilities with Related Parties, as obsolete To amend Rule 25-30.4385, F.A.C., Additional Rate Information Required in Application for Rate Increases to update rule requirements To repeal Rule 25-30.440, F.A.C., Additional Engineering Information Required of Class A and B Water and Wastewater Utilities in an Application for Rate Increase; the rule requirements are moved to different, appropriate rules and duplicative language deleted. To amend Rule 25-30.443, F.A.C., Minimum Filing Requirements for Class C Water and Wastewater Utilities, to update rule requirements To amend Rule 25-30.460, F.A.C., Application for Miscellaneous Service Charges, to add clarity and specificity to rule language and to update the rule to address the various miscellaneous service charges
Section 367.0812, F.S.	To amend Rule 25-30.440, F.A.C., Additional Engineering Information Required of Class A and B Water and Wastewater Utilities in an Application for Rate Increase, to update rule requirements
Section 367.0814, F.S.	To amend Rule 25-22.0407, F.A.C., Notice of and Public Information for General Rate Increase Requests by Water and Wastewater Utilities, to update rule requirements

LAWS NOT CREATING OR MODIFYING DUTIES OR AUTHORITY
SECTION 120.74(1)(b), F.S.

Laws	Intent of Rulemaking
Section 367.0817, F.S.	To amend Rule 25-22.0407, F.A.C., Notice of and Public Information for General Rate Increase Requests by Water and Wastewater Utilities, to update rule requirements
Section 367.082, F.S.	To amend Rule 25-30.437, F.A.C., Financial, Rate and Engineering Information Required of Class A and B Water and Wastewater Utilities in an Application for Rate Increase, F.A.C., to update rule requirements To repeal Rule 25-30.443, F.A.C., Minimum Filing Requirements for Class C Water and Wastewater Utilities; the rule requirements are moved to different, appropriate rules and duplicative language deleted.
Section 367.083, F.S.	To amend Rule 25-30.436, F.A.C., General Information and Instructions Required of Class A and B Water and Wastewater Utilities in an Application for Rate Increase, to update rule requirements
Section 367.091, F.S.	To amend Rule 25-22.0407, F.A.C., Notice of and Public Information for General Rate Increase Requests by Water and Wastewater Utilities, to update rule requirements To amend Rule 25-30.335, F.A.C., Customer Billing, to update the rule and to clarify applicability of charges during a customer's absence
Section 367.121, F.S.	To amend Rule 25-14.012, F.A.C., Accounting for Postretirement Benefits Other Than Pensions, to replace obsolete references to Statement of Financial Accounting Standards 106 and 71 with current accounting standards To amend Rule 25-14.013, F.A.C., Accounting for Deferred Income Taxes Under SFAS 109, to replace obsolete references to accounting standards with current standards; to update language in the rule to reference the Tax Cuts and Job Act of 2017; and to determine whether references to the IRS code and Revenue Procedure 88-12 need to be replaced with updated references To amend Rule 25-14.014, F.A.C., Accounting for Asset Retirement Obligations Under SFAS 143, to replace the obsolete reference to SFAS 143 with the current standard To amend Rule 25-22.0407, F.A.C., Notice of and Public Information for General Rate Increase Requests by Water and Wastewater Utilities, to update rule requirements To amend Rule 25-30.0371, F.A.C., Acquisition Adjustments, to update rule to address current industry practices

LAWS NOT CREATING OR MODIFYING DUTIES OR AUTHORITY
SECTION 120.74(1)(b), F.S.

Laws	Intent of Rulemaking
Section 367.121, F.S. (Cont.)	To amend Rule 25-30.116, F.A.C., Constributions in Aid of Construction, to update and clarify rule requirements To amend Rule 25-30.117, F.A.C., Accounting for Pension Costs, to replace the obsolete reference to SFAS 143 with the current standard To amend Rule 25-30.335, F.A.C., Customer Billing, to update the rule to include guidance regarding the applicability of charges during a customer's absence To amend Rule 25-30.436, F.A.C., General Information and Instructions Required of Class A and B Water and Wastewater Utilities in an Application for Rate Increase, to update rule requirements To amend Rule 25-30.4385, F.A.C., Additional Rate Information Required in Application for Rate Increase, to update rule requirements To amend Rule 25-30.460, F.A.C., Application for Miscellaneous Service Charges, to add clarity and specificity to rule language and to update the rule to address the various miscellaneous service charge s
Section 367.156, F.S.	To amend paragraph (4)(a) of Rule 25-22.006, F.A.C., Confidential Information, to change the number of copies required to be filed to be consistent with current filing requirements
Section 368.108, F.S.	To amend paragraph (4)(a) of Rule 25-22.006, F.A.C., Confidential Information, to change the number of copies required to be filed to be consistent with current filing requirements

UPDATES TO 2019 REGULATORY PLAN – SECTION 120.74(1)(c), F.S..

The Commission has no laws or updates to the 2019 Regulatory Plan to report pursuant to Section 120.74(1)(c), F.S.

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

PROCEEDINGS: INTERNAL AFFAIRS

COMMISSIONERS PARTICIPATING: CHAIRMAN GARY F. CLARK
COMMISSIONER ART GRAHAM
COMMISSIONER JULIE I. BROWN
COMMISSIONER DONALD J. POLMANN
COMMISSIONER ANDREW GILES FAY

DATE: Tuesday, September 15, 2020

TIME: Commenced: 10:15 a.m.
Concluded: 12:00 p.m.

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

REPORTED BY: ANDREA KOMARIDIS WRAY
Court Reporter and
Notary Public in and for
the State of Florida at Large

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

P R O C E E D I N G S

CHAIRMAN CLARK: All right. It looks like we have all the players here this morning. We're going to go ahead and call our Internal Affairs meeting to order.

Before we begin, I want to thank Mr. Farnsworth for joining us this morning. I want to take just a moment to introduce him. David is a principal with the Regulatory Assistance Project. He advises regulators and advocates on energy and environmental policy and regulations.

Prior to working with RAP, he served as a hearing officer and staff attorney with the Vermont Public Service board from 1995 to 2008.

Mr. Farnsworth is joining us today to provide a presentation on insights for states preparing for electric transportation.

Welcome, Mr. Farnsworth. It's great to have you with us this morning.

MR. FARNSWORTH: Thank you very much. Are you able to hear me okay?

CHAIRMAN CLARK: Yes, sir, we can hear you fine.

MR. FARNSWORTH: I can't tell if you're -- I can't tell exactly what slide you're on or if

you're about to move it ahead, but --

CHAIRMAN CLARK: If you're ready, we will put you in presentation mode.

MR. FARNSWORTH: That's great. I -- I'm ready to start when you are.

CHAIRMAN CLARK: Something magic should be happen momentarily.

There we go.

MR. FARNSWORTH: That's great. Those are my slides.

Well, so, good morning, Commissioners, Chairman Clark. It's a -- it's a pleasure to be with you this morning. Thanks so much for this opportunity to talk with you.

As you all can see, I'm wearing a wool turtleneck sweater. It was 36 degrees here in Vermont this morning. And so, I'm -- I'm not -- I'm not quite at the point of breaking out my hockey -- ice-hockey gear yet, but it's still another reason I wish I -- I were with you in Florida this morning instead of up here, but we can move right ahead all -- all the same.

I -- I would like to talk with you all about two topics. They're related, but the first one will be the difference between electrification and

beneficial electrification, what we think of as bene- -- as electrification in the public good.

And the second topic, I will be talking about a handful of issues that come up when states start thinking about transportation electrification; in other words, topics that I -- I would imagine that you all, as you engage in this, will be -- will be facing and considering. And I think it's -- it's a good way to start -- recognize that, as you take first steps, you're probably going to run into these issues.

Before we get rolling, I just want to ask you to stop me at any time if you have questions. That shouldn't be too difficult. And I'll try to clarify as I go.

So, next slide, please. Okay. This is part one. We're talking about beneficial electrification.

Next slide: Isn't all electrification created equal? Well, the answer is definitively no, it is not created equal. When you electrify, you add load on a power grid and that can cause cost. That's just very basic observation here, but as the name would suggest, beneficial electrification is about how to electrify in a way that will secure

you the most benefits and do so at the lowest cost.

Next slide, please. Here is a way of discussing electrification that we have found useful at RAP. Sort of three parts to this and the first part of this presentation is just going to explore those three parts.

A project or a measure represents beneficial electrification if it meets one or more of the following three conditions without adversely affecting the other two: saves consumers money over the long run; reduces environmental impacts; and it enables better grid management. Let's take a look at each one of these conditions a little bit more closely.

Next slide, please. So, the first condition is saving customers money. And in this context, that means saving customers money over the life of that investment in the electric vehicle that resulted in lower cost to provide that energy and use to the consumer, which is basically moving a mile down the road.

And that's accomplished by looking at the life -- over the life of the electric vehicle, including the cost of acquiring and maintaining that EV, including any incentives provided and

savings associated with this, like avoiding fossil-fuel costs, utility-bill savings from electricity pricing, or other uses of an electric vehicle for purposes of helping to manage the grid.

Next slide, please. I don't think this observation about saving customers money getting an electric vehicle is anything that you don't already understand. We understand, at -- at various levels, the difference between an internal-combustion-engine vehicle and an electric vehicle.

If you take -- if you think about the energy being used, I think it's a good way to -- to look at these two and make a comparison. A gallon of gasoline is a -- is 120 megajoules of energy. And that's equal to about 33 kilowatt hours of electricity.

So, if you use a similar-sized passenger vehicle -- here, I've got a 2015 example. I could update that, but we're talking about a Honda Accord and comparing that to a Nissan Leaf. So, if you take a similarly-sized passenger vehicle, we see that, where the gasoline vehicle will get you 25 or 35 or so miles down the road on a gallon, an electric vehicle will get you over a hundred miles down the road.

So, the customer savings -- immediate customer savings are available associated with one of these choices being far more efficient than the other. So, that's the first of the three beneficial-electrification conditions.

Let's consider the -- let's go to the next slide, please. The second condition, reduces environmental impacts, means that the emissions of the grid, where you're getting the fuel from -- for an electric vehicle, along with the efficiency of the EV, itself, will result in lower emissions than the emissions from a fossil-fuel-fired vehicle that you were getting before.

Again, that's over the life of that EV. It's based on accepted resource-planning criteria, takes into account the grid flexibility created through electrification that I'm going to discuss in a minute.

I -- I would note that, typically, you'll see EV/internal-combustion-engine comparisons focusing on carbon, meas- -- measuring the CO2 emissions. And that's done for clarity, convenience. I think it's helpful, but it's also important to remember that there are criteria pollutants like NOx and SOx, particulate matter, as well as other air

pollutants, effects on water, land use, that sort of thing.

Next slide, please. So, electrifi- -- electrification can reduce air pollution for several reasons: First, due to the relative efficiency of an EV compared with an internal-combustion-engine vehicle that I just discussed, but also because of the general trend out there in the fuel, itself; that is, in the electricity that can be accessed for an EV.

There's been a general trend across the U.S. over the last decade and a half or so, the power sectors becoming far more carbon-intensive. The trend is illustrated in this figure showing changes in the mid-continent ISO.

As you can see the general trend from '05 compared to 2016 where coal was three-quarters -- a little bit more than three-quarters of the generation portfolio in '05 -- that's been reduced. Natural gas and renewables have pushed back on that market share.

Natural gas, for example -- a megawatt hour of natural gas is about a half of ton of CO2 per megawatt hour compared to coal, which is roughly a ton. So, that's -- that's halved. Renewables,

obviously, don't come with the same carbon footprint.

Next slide, please. Looking at Florida more closely, this EIA figure -- and the data suggests a similar trend with respect to coal and natural gas. As illustrated here, over about the same time, '08 to 2018, Florida saw coal and natural gas, respectively, go down from 30 percent and 47 percent in '08 to 13, and 72 percent in 2018.

The point here is that the EV's efficiency plus the trend in electric generation point towards significantly less air pollution associated with electrified transportation.

And I should emphasize that I'm just illustrating this. I haven't talked about heavy-duty vehicles, but when you look at trucks -- step vans, trucks, heavy-duty vehicles -- replacing diesel with electric trucks will produce even greater avoided emissions, especially for purposes of air quality, reducing particulate matter, things like that.

Next slide, please. So, I'd like to talk about the third of those three beneficial-electrification conditions here: Enables better grid management. Beneficial electrification

provides grid operators with greater flexibility. And if you take anything away from this presentation this morning, it's recognizing that electrification provides flexibility. It helps grid operators manage load. It can improve demand response. You can integrate higher levels of variable renewable-energy resources because of this flexibility.

Given the short time that I have with you all this morning, my comments about grid management are going to be really, really basic, very simple. The grid is highly complex. It's very dynamic. And I don't mean to make it look really simple here, but I -- I want to make a few points.

At the bottom of this slide, you can see two links that I think could be useful here. One of them is to a Lawrence Berkeley National Labs study that looked at -- it's kind of cut off on my slide, but it looks at demand response, potential study for California. And what it does is talk about how electrification can make the grid more flexible.

The other link is simply a blog about the study, itself. So, you have a fairly straightforward blog of a couple of pages and the study, which I think is an excellent study. It's

written very well and -- and worth -- worth looking at.

Still, the key point here is that electrification load -- they're -- that's -- we're talking about batteries. They're in the form of EVs or, when you're talking about water heaters, it's in the form of thermal storage.

That can make the power grid become more flexible because charging those things can happen at any time of day and moving that load around all of a sudden allows grid operators to do things that we really have never done before.

Typically, in the past, load was pretty static and we managed supply to meet that load. Today, the opposite is true to the degree that you're electrifying. You're able to move that load around.

And so, when you hear somebody -- the next time you hear somebody say, renewable resources -- they're great, but they're intermittent -- when the sun doesn't shine, when the wind doesn't blow, they're just not helpful -- remember, that the flip side of that pancake is that, well, the grid is not as flexible as it can be, but we know that electrification allows for flexibility we've never

had and all sorts of opportunities.

COMMISSIONER BROWN: David, do you mind if I interrupt you right there?

MR. FARNSWORTH: Please.

COMMISSIONER BROWN: And thank you for being here. And thank you, Mr. Chairman, for hosting this.

Quick question. You're referencing California, who is currently having rolling blackouts. I'm curious, what type -- if you have any knowledge about what type of rules California has in place, promulgated by the Commission, to address managing -- better grid management -- pardon me.

MR. FARNSWORTH: Yeah. So, they've just had -- they've just come to the end of a -- I believe its staff-driven workshop has taken place over roughly the last year. It has to do with vehicle-grid integration.

They have put together a big tent -- and I mean a big tent. They have come to a number of conclusions and recommendations, and not everybody is on the same page. You'll see recommendations with a majority of support, these sort of caveats, but what they've been looking at is how electric

vehicles can contribute to managing the grid.

They've also -- there's also practice in the last several years -- I apologize, I don't know with great precision -- where they've been bringing on stationary batteries to fill in at certain points. And I think they found those opportunities to be useful, but I think they're still studying them.

When -- when we step back and look at the challenges that California has had, I think it's -- it's very sensible for you to bring it up and to ask yourself just what benefits they're getting here.

I would -- I would add this one final point, that my colleague, Carl Linvill -- who lives in California, is a former Nevada Commissioner -- is just coming out with a blog. And he -- he says, when people look at what's just happened with the California blackouts, he said it's sort of like a Ror- -- Rorschach -- Rorschach test; in other words, everybody sees something that they find to be distasteful.

And what his blog does is set out a number of questions. He said, before you start drawing conclusions, ask these following questions. I -- I

don't think people have really figured out precisely what happened recently in California. I know there's a concern about wildfires, but they do have huge reserve requirements of the California ISO in case there's greater demand. I -- I just know there are a lot of moving parts there.

And I hope I've answered your question.

COMMISSIONER BROWN: Thank you. I -- I mean, I could spent a lot of time with -- with you on this grid-management issue around the country and -- and how other states are doing, but I appreciate you -- your discussion here.

MR. FARNSWORTH: Thank you.

I guess, just as a -- as a closing observation with this first slide, grid management is possible where electrification load can be controlled by grid operators. This is the distinction really between electrification on its own and beneficial electrification.

Where grid operators can control this load, they can make their system more flexible. And they can encourage -- they can control load directly or they can encourage consumers through pricing, for example, to move their charging to certain times of day.

Next slide, please. It's a pretty obvious statement here, but I think it's a good -- good place to start: EVs, managed properly, as you will see, can be useful to the grid. If they're not managed, they're obviously going to be a problem.

Next slide. This slide and the following slide capture two quotations from, I -- I think, an excellent order that came from the Maryland Commission, January 2019. You'll see the citations there. Load from EVs has to be managed effectively; otherwise, you're going to make more -- make it more costly for other ratepayers and make it more costly for the grid to be run if you don't manage that.

Next slide. Here, they conclude that pricing is one way to do that and to make greater use of -- greater utilization of the system and, to the degree that you make better use of the existing system -- in other words, we're not investing additionally; we're just using the existing system.

If you can manage the use of that better and -- in improved ways, then you can put downward pressure on rates. In the next rate case, those savings can be captured.

I wasn't sure if I was going to raise this

point here. I -- I do this when I talk with folks. I -- I refer to -- I ask folks in the audience, have you ever been to Florida and gone out to dinner at 4:30 in the afternoon with your grandmother. People look at me like I'm an oddball, first, but then they start looking around and about half the hands go up.

And the point here is grandma is really smart. Restaurants at 4:30 in the afternoon are preparing for dinnertime, 7:00 through 9:00 or 10:00, but they're already -- ev- -- the rent has been paid, the electricity has been paid, the tables are set, the food is there, the prep cooks are there, everybody is ready.

And so, what they do is take advantage of everything being in place to sell a little bit more. And so, they lower the price a little bit because it is 4:30 in the afternoon, but you see, a lot of senior citizens -- really smart, penny-pinching, who take advantage of these opportunities.

This is sort of what I'm talking about here. Electricity in the middle of the night is cheaper and it's not inconvenient, in fact, because you can set charging on your vehicle just like you set the

alarm on -- on your telephone or on your clock radio, if you will, to take advantage of that. EVs sit around 95 percent of the time, and so, this is why there's an oppor- -- big opportunity here.

Next slide. This is one example of -- of a rate design. It's a whole-house rate design for residential ratepayers. Again, California, example -- this is the summertime time-of-use rate with peak, mid-peak, and off-peak prices to manage residential load.

This, obviously, encourages EV charging at certain times of the day. Midnight to noon, when there's otherwise-low demand and when there is more solar resources when they're more plentiful -- that's priced at 11 or 12 cents per kilowatt hour, whereas, the peak price, you see, is closer to 29 cents.

That's when everybody gets home and turns on everything in the house and washes dishes and prepares dinner, that kind of thing. There's no need for EVs to charge then. There's no pos- -- imposition, actually, for them to charge then. If they're -- you can set it and forget it, that kind of thing.

So, rate designs are -- are a typical way of

encouraging that EV load, that flexible load, to simply move to times of the day when prices are lower and where, at least today and for the foreseeable future, additional -- significant additional investment is not necessary.

Next slide, please. One last point about grid management. This is a graphic that shows annual load profile in Rhode Island from 2016. On the horizontal, you have 8,760 hours, and the demand in megawatts is on the vertical axis.

The key here is that the top 1 percent of hours, over 2016, within the blue line up top, involved 9 percent of the spending on electricity in 2016 in Rhode Island.

And the red bar represents 10 percent -- the top 10 percent of the time involved over a quarter of the spending in Rhode Island for electricity. Thus, the point here, and the heading, "At least, avoid high-cost hours," is the point. If we can move usage away from those times that fall under the red bar, then there are cost savings associated with basic grid management.

So, what I've just done here in the first half of this presentation is set out three conditions. I think they're helpful in understanding the

difference between electrification and beneficial electrification. They -- they're not a perfect framework for analysis -- I will admit that right up front -- but it's a way of understanding, should I buy this EV or not, or should I approve this project or not.

It's -- it's a -- sort of a first blush framework for understanding things: Can it save consumers money over the long term, does it reduce environmental impacts, and does it enable better grid management.

So, with that, I'd like to move to the second half of this. So, next slide, please -- I should stop here. Are there any questions before I move on?

CHAIRMAN CLARK: Any questions?

All right. Commissioner Polmann.

COMMISSIONER POLMANN: Thank you, Mr. Chairman.

And thank you for being here. This is very interesting. Mr. Farnsworth, I've got a couple of questions up to this point, so maybe we can address those here since you -- you're taking a pause.

Let -- let me point back to Slide 12 and 13 in general. And you -- you were talking about

effective management of the EV load. And what I'm wondering is have you identified specific best practices or -- or that concept in other states that -- and as we're looking at the management concept, do you have suggestions what we should be considering maybe at a high level with regard to policy-type initiatives on -- on EV load management?

Do you have some suggestions on that in terms of where we might be looking around the country for practices established in other states; maybe not states in particular, but sort of the best-practice concepts?

MR. FARNSWORTH: Yes, sir. Commissioner Polmann, I -- I mentioned and cited twice to that Maryland order. I think Maryland set a really --

COMMISSIONER POLMANN: Okay.

MR. FARNSWORTH: -- good -- real- -- they've done a really good job.

As I mentioned, they had a huge tent participation. This was part of a larger effort for them to do grid modernization. It looked at a number of things, but electric vehicles were part of that. Not only did they bring in different stakeholders to get their viewpoints, they ended up

putting it -- putting it in the lap of the stakeholders themselves saying, okay, why don't you all propose things that you think we, the Commission, ought to be doing.

As it turned out, that group of stakeholders organized. They ended up proposing about a dozen different things. The Commission reviewed them, chose about five. I think, what you had, in other words, is an exhaustive policy discussion, informal policy discussion, but really informed. I think stakeholders can be very helpful here.

A couple of things they concluded -- and that's why I quoted them there -- is that, at certain times of day, electricity is just going to be less expensive. If --

COMMISSIONER POLMANN: Okay.

MR. FARNSWORTH: -- there is less-expensive fuel out there to run an EV, then it makes sense to encourage a utility to find out when those times are to make those times available.

As it turns out -- and I think it's a general practice -- utilities are out there taking advantage of that lower-cost electricity and turning around and it making it available to EV customers. I think they're sharing savings, so

customers get some benefit, utilities get some benefit.

And what they're doing is getting up -- they're basically selling more lemonade -- this is -- that's my simple, basic economic example all the time. They're selling more electricity for the existing investment that they've made.

And they're selling -- not -- it's not just electrification, but it's electrification at a smart time of day. And so, what you have is that basic management -- it's done with rate design. And so, there are times of day when electricity is lower cost and they're taking advantage of that.

It depends on where you are in the country as to whether that electricity is cleaner or not. In other words, what's the marginal unit at 2:00 in the morning in PGM? I can't tell you that right off the -- the top of my head. Or what's the marginal unit going to be at 2:00 a.m. in California or in Florida or in Texas or in Minnesota -- but that's the lower cost and the opportunity for potentially cleaner generation.

The states with best practices -- I would refer you, as I did, to Maryland. I would say Minnesota is another state that's given us a lot of

thought, as has Michigan. I would look at those three states.

COMMISSIONER POLMANN: Okay.

MR. FARNSWORTH: California has as well, but I'm going to avoid talking about California where I can.

COMMISSIONER POLMANN: Okay. Well, that's very helpful. I think what you've described is a -- is a very thorough, comprehensive process with all the stakeholders engaged and -- and then identifying some specific out of that, in that focus.

You had mentioned in your -- in your comment here the rate issue. And that -- that brings me to your Slide 14. And it kind of raises the question on how we look at and how the utilities consider their baseload units compared to other types of generation and -- and I don't know that this is being done elsewhere, but should there be consideration -- and it -- and it comes back to your -- your time-of-day question.

Should there be any consideration or have you seen this elsewhere done effectively with different rates associated with different generation units, application of real baseload versus time of day,

peaking units, for example, or how that -- how that matches up with the -- the EV as a -- as a demand base, demand type.

It -- it would seem a very interesting question, but I -- I don't know how that would come into play. Certainly we know it -- it occurs. Have you seen anyone really tackle that question?

MR. FARNSWORTH: Well -- yes, but assuming economic dispatch -- and one doesn't have to be in an organized, wholesale market to -- for that to happen. Baseload plants, by definition, are going to continue running. They don't get turned on and off, run up and down like, for instance, fast-ramping natural-gas plants that are brought on at peak times or --

COMMISSIONER POLMANN: Yeah.

MR. FARNSWORTH: So, they will continue running. And -- and they're out there overnight. It really depends -- the an- -- the ultimate answer to your question depends on how -- how your load is served in your state or parts of your state over a 24-hour period, whether it's December or June.

But economic dispatch would argue that the -- the less-expensive plants are going to run more often and, as demand loads up, as you ramp up to

that peak that -- that we see in that Slide 14 -- you know, 5:00 to 8:00 at night, you're bringing everything on and -- and, as you add more units, they may run less -- less time over the course of the day, over 24 hours, but as you bring them on, they're more expensive, but you're adding them up to meet that demand.

And so, to the degree that you're adding resources to -- to charge your car at peak time, you're -- you're paying for those added resources and you're also adding demand to require more.

The opposite is true. If you're moving to other times of day where there is very little demand, you will be picking up what's out there in the case of baseload running. You'll be picking up what's out there, to the degree you have renewables.

For instance, there's a lot of wind running overnight in Texas. They have -- they have a big market for renewables. And most of us are asleep at night. Most of us are not using electricity at night, but the wind is blowing and those plants are running -- those -- those wind plants are running. Same in Minnesota, for example. The wind blows a lot more at night, let's say.

So, what happens is most rate designs that you'll see around the country for electric vehicles aren't quite as -- as broken down in a granular manner as that Sacramento example. They just have on-peak and off-peak rates.

And so, what you see is an opportunity in Texas -- if the wind is blowing at night and you move stuff to the middle of the night, will that be picking up that.

The National Labs have looked at how much renewable energy is curtailed; in other wo- -- in other words, thrown away because there's no demand even though the wind is blowing or the sun is shining. And that's -- it's in fairly-low percentages over the last five years across the country, you know, 2, 3, 4 percent.

But if you can move this demand to those times, then you're able to -- to pick that up. And so, it can be through direct load control or -- or pricing, given the example I just provided you there.

One last point. Navigant has put out a number of studies that reflect this. They did a study with RAP a few years ago that looked at time-of-use rate design and found that you could really change

behavior with a time-of-use rate design where there's an on-peak/off-peak difference of two-to-one, three-to-one, something like that, and furthermore, that you influence behavior even more -- even more if you combine technology with a rate design.

In this case, if you've got a charging meter that allows that to happen along with pricing, that encourages that to happen.

COMMISSIONER POLMANN: Well, thank you for that answer. It's very thorough. And I think -- to that last point, I think this potentially matches up very well with smart meters that are being widely installed. So -- so, thank you for your answers, Mr. Farnsworth.

MR. FARNSWORTH: You're welcome.

COMMISSIONER POLMANN: Yeah, thank you. Mr. Chairman. I appreciate the time.

CHAIRMAN CLARK: Thank you.

MR. FARNSWORTH: I -- can you give a sense of -- of the time that I have, if there are no other questions?

CHAIRMAN CLARK: We're -- we're good on time right now. If the second half is as long as the first, we'll be in good shape.

MR. FARNSWORTH: Very good. Thank you.

So, here we go. Let's talk about taking first steps towards transportation electrification. Now, the paper -- the discussion I just gave you is based on a paper called "Beneficial Electrification," and there's citations to it at the end. I hope it's fairly readable. It's not too long. It's about 30 pages.

The following discussion is based on a paper called "Taking First Steps," and it's -- it's from looking at what utility commissions have been doing in -- in this regard. PUCs all over the country are taking first steps. And we've typically seen a handful of topics that arise in -- in this context.

Next slide, please. We've discussed this a little bit. The first is simply meeting with others in state government and then with stakeholders to get a sense of their positions, get a sense of their understanding and their interests in this.

Typically, for example, in states you -- with Volkswagen settlement money, there's been a big pot of money. The environmental regulators in states have been the ones that have been overseeing the allocation of Volkswagen money, but that's really

part and parcel of the discussion we've had here.

So, coordinating with other parts of state government, I think, is really important, as well as bringing in -- as bringing in stakeholders earlier on.

There's one -- there's one power that -- a key power that utility commissions have and that's the power to convene. You can bring people together. People snap to if you ask them to come to a meeting.

And this is an opportunity to learn. You can proceed informally. You don't have to put yourself out there. You can get a third-party facilitator to organize and conduct these meetings, but it's a great opportunity to proceed informally and learn -- learn from each other because I personally think it's okay to recognize that this is a learning process and that it's quite appropriate to be engaged in that way at -- at this point.

COMMISSIONER FAY: Mr. Farnsworth, I --

MR. FARNSWORTH: Yes.

COMMISSIONER FAY: Can I jump in and ask a quick question? So, you men- -- you mentioned the Volkswagen settlement. I know different states have taken different approaches to the distribution

of that. I think some are -- are sort of battling it out between the Legislature and the Governor. Some have plans that go far beyond what the settlement funds provide, and others have just pinpointed on certain areas, like buses and diesel issues.

In Florida, we have -- as you probably know, we have a -- a first stage of our electronic-vehicle infrastructure that's been approved and the operation is moving forward under our Department of Economic Regulation.

So -- so, we essentially have multiple steps that we'll use to roll out electronic -- or electric in- -- infrastructure. And I think, when you look at that, it makes a lot of sense. We're a large state. There's clearly conversations and thoughts about range anxiety and the ability to travel around the state without those Level -- Level 3 chargers.

But I think for the -- for the Commission, it raises a really good question because you and your -- your slides -- and you're going to continue to talk about this a little bit -- there's opportunities for the Commission to engage in different roles and, in Florida, we -- the

Legislature, as you know, this past year, passed Senate Bill 7018, which essentially said the Department of Transportation would be coming up with a plan for electric-vehicle infrastructure, what they deem a master plan. And the Commission has been included in that -- that legislation, to be part of the discussion.

And so, as I take all that into account for what we can do or -- or not do going forward, it seems to me that we -- since we have a state and -- and our Governor and leadership in the Legislature that are actually moving forward with building these stations quicker than some other states are doing so, I think it -- it could likely give us an opportunity to see what's working, what's not working, and then maybe what's missing, from a regulatory standpoint.

And I think that's advantageous for us because the others who are not invest- -- not investing those funds into EV chargers will sort of limit their ability to decide what is right for their state, and I think we might have the opportunity to build on that.

So, could you just maybe address the -- the idea that we should be looking at that process now

to help us make decisions for the future.

MR. FARNSWORTH: I think that's -- I -- I agree with all the -- the points you've just made. I think it's -- you've laid out things very clearly. I agree with that, especially with your central point is, are there opportunities here, what can we -- we do with that.

When I think about what 7018 sets out, I think it's a great opportunity to work with the Department of Transportation because this is a -- a time when -- as -- as the power sector changes -- and it's changing around the country in different ways -- you've got a clear intersection between transportation needs and electric-system needs. There are implications for planning and how you all plan.

When I think about the -- the requirements of 7018 that call for evacuation planning and making sure that EVs contribute to making evacuation work more smoothly in -- in your state, I think this is a great -- again, an opportunity to use the utilities that you work with to get them to help you realize how best they can contribute to the work that's being done.

And in -- in sort of crude terms, the question

is: How can you leverage what the utilities can do with what the -- the other branches of state government -- I apologize for not remembering the precise organization -- what they've done with Volkswagen money and investment fast chargers; how can you take advantage of what's already happening, where investment is likely to occur; and how can utilities contribute to furthering state -- the state policy that's reflected in how they're rolling things out, the state policy that's reflected in how planning for evacuation is rolled out.

One very simple observation might be what would -- what would happen if you were to overlay the distribution-system maps over the transportation-system maps. The transportation planning might say we have to build -- we have to build a DC fast charger here, but if you overlay the distribution-system map, you might realize, well, if you just move a quarter of a mile away, there's already a substation there. There's sufficient -- there's sufficient infrastructure already in place.

You could save money and get some charging that you need that's relatively close without

spending more money. So, it -- it's simply leveraging what each other is doing to -- to achieve those goals. That's just a simple example.

But I -- I would -- I would say that, as far as the way you go about planning and the way the Department of Transportation goes about planning, for them -- for them, it's the transportation system; for you, it's the electric system. You can probably realize other efficiencies and -- and synergies like -- like that one example I just gave.

COMMISSIONER FAY: Yeah, I appreciate that. And you -- and you think, based on the -- the reality that we already have approved stations going out in this first tier -- that's something that -- I mean, do you see that as something that we can look to to build on that master plan to help sort of make better decisions when -- when we engage with DOT on that?

MR. FARNSWORTH: Yes, sir, I would hope so. Yes.

COMMISSIONER FAY: Okay. Great.

Well, I appreciate the help. I -- I think there's so much information on this and the content is constantly coming out that we're -- as a

Commission, we're trying to do our best to make sure we stay engaged and informed. And this is a great example of that because you've got a number of different perspectives, including recognizing some of the other states and what they've done that might be helpful to us.

And I know Commissioner Brown and I both have worked with NARUC and their resources to look at what the different regulatory commissions have done going forward. And I just -- you know, my concern is that there's so much coming out so quickly and there's some uncertainty to us that we could, as a Commission, miss an opportunity to support some policies that would, in your words, help us leverage what is going to be put forward in the near future in our state.

And so, I just want to make sure that we're doing everything in our power to inform on that master plan, but also just to look at, as these units move forward -- like your example about near a substation is a good one -- that we are finding ways to be supportive of growing that because we -- we constantly hear the issue of -- the chicken and the egg. I mean, are you going to go get an EV if the infrastructure is not there to

charge.

And my -- my belief is that when the prices of EVs become cheaper than a combustion engine, we'll see a significant tipping point. And one of the only things that would be in the way of that would be a lack of infrastructure -- charging infrastructure. And when we get to that point, I want to make sure we've done reasonably everything that we can to support having that in place and encourage customers to make that switch.

So, I appreciate all the time today.

MR. FARNSWORTH: Thank you. That's very encouraging.

So, I guess my point here is that coordinating with other parts of state government, useful; getting the most -- getting the most out of stakeholders -- they can be really helpful.

I -- I've seen in processes where stakeholders submit comments. Then you give them a chance -- people a chance to submit responsive comments. Not everybody has to do that, but all of a sudden, it brings things into focus and -- and it's very helpful and gives your staff a good entry point. They don't have to figure out everything. They can use stakeholders to -- to get them part of the way.

Those are all good opportunities.

But my point here is that, as you bring together folks in these processes, you'll -- you'll -- you can expect to engage on certain topics. Let's just talk about those now.

Next slide, please. We've already discussed managing EV load, but, boy, it comes up. Okay. States recognize the need to tackle this issue early. And it's not like, well, when we get 10-percent penetration of EVs, we'd better start thinking about this because the importance of coordinating this and organizing it not only avoids unnecessary costs, but it -- it allows you to get benefits to EV users and benefits to others on your grid in a way that's -- that's just useful and conducive to expanding the market for EVs. So, managing EV charging rather than simply drawing on the system allows you to deploy those -- these resources in a way that benefits the system.

Next slide, please. Rate design we've also talked about here. States recognize that rate design is a good way to secure these benefits and -- and to affect charging behavior. Not -- not so difficult to do and there is a lot of literature out there and there's a lot of experience in doing

rate designs to get these results at -- that you might want to produce with EVs.

Next slide, please. EV charging is a really broad topic because what -- what happens is, when you start looking at it closely, you realize there are many different submarkets for EV charging.

Okay. There are residential -- there's residential charging. I have a -- I have a single home and I have a garage next door and I can charge my EV in a certain way. Okay. But loads of Americans live in multi- -- multi-unit dwellings, okay, and condominiums. Charging there is a little different, not quite so easy. Many people live in multi-unit dwellings that are -- that don't have the access to parking spaces. That's a different submarket.

Charging for transit systems -- another thing. FedEx wants to open up a depot where a bunch of its vehicles are going to be electrified. That's a different charging issue as well.

So, when states look -- are looking at various models for EV supply equipment, called EVSE, there are different approaches that states have taken to ownership.

On the one hand, the way utilities do it

today -- you know, you can -- you build a house and -- and they drop a line. They do a line drop. And part of the price of that is -- the cost, rather, is socialized across the entire system. Ratepayers pay for part of that.

If there's a -- a longer line extension, well, there are arrangements for the first person out there to pay for more of it, but when -- the next person comes on that line extension to share some of the costs that -- that the first party would have paid had they been the sole owner, et cetera.

There is a -- still an additional model that's pretty comprehen- -- it's pretty commonly been adopted across the country. It's called Make-Ready, which sort of looks like a line drop plus a little bit more.

And so, what it does is allow the utility a return on the investment in a typical manner, but what they're doing is providing maybe a little bit more beyond the meter -- beyond the meter, itself, to -- I'm sorry -- beyond the -- the panel that lets you in the house.

But there's a little encouragement for there -- for them to participate in this program and that allows the cost of connecting an EV

charger to the grid to happen a little bit more easily.

As I mentioned, states are approaching this topic in very different ways. Some feel that utilities should be focused only on monopoly services and that this could be competitive. While that may be true, experience has borne out that you don't see a lot of this activity occurring until utilities are allowed to participate in this.

On the other extreme, there are just hard-to-serve areas where utilities are perfectly suited to providing these -- this charging infrastructure. Think about -- I'm dating myself a little bit -- but think about phone booths. Okay. Tele- -- telecommunications providers back in the day were required to put phone booths up, public phone booths.

There probably was not a business case for putting phone booths everywhere. Some places didn't -- phone booths didn't make any money, but the public interest was served by giving access to everybody. And so, this is a sort of a balancing test.

And I simply want to point out that there are many submarkets for EV charging. There are

different rationales for providing -- for allowing utilities to make these investments and recover them in rates.

And that's something -- this sort of balancing and analysis -- something that utility commissions are eminently suited to doing. And I -- I wish you luck as you engage on those topics. It's going to be quite fact-specific.

COMMISSIONER BROWN: Mr. Farnsworth, if I may, I'd just like to ask you a question.

MR. FARNSWORTH: Yeah.

COMMISSIONER BROWN: I really appreciate the dialogue, the point that you just made, too.

I want to get back to, though, the rate design. And I know you have knowledge about what all of the states are doing and what the most-effective rate designs that are out there to protect non-EV customers.

And I -- I'd love to hear your thoughts on what -- what type of rate design -- which states should we be looking at in terms of rate design to insulate the non-EV customers from subsidizing those EV customers.

MR. FARNSWORTH: That's a great question. I think there are -- are lots of good examples out

there. It turns out that EV charging and EV customers aren't necessarily subsidized on -- being subsidized by other customers. In fact, what they're doing is providing benefits to the system, if they're managed properly.

There is evidence of that in California. California has been at this for a long time, and frankly, when -- when we have national discussions about what states are doing, California comes up and -- and people sort of shift in their seats. And I -- I have to laugh because I think of California as sort of one of like the really interesting -- you know, if this is a classroom, they're a really smart student.

As -- as is pointed out sometimes, they -- they move ahead and they run into lots of problems. There's a Enron problem. There's recently been blackouts. How is that happening, right? So, I'm not saying they're perfect, but they have engaged in this in lots of ways with IOUs. Southern Cal Edison, Pacific Gas and Electric, San Diego Gas and Electric have really interesting rate designs that are worth considering.

The paper -- there's some resources here that I'll point you to that explore those rate designs.

We also refer to lots of other organizations that -- that have -- that have looked at this topic as well.

As I mentioned, typically, a lot -- you see a lot of rate designs are on-peak and off-peak. To the degree you're charging off-peak, at least today, you're -- you're returning revenues to a utility. You're not adding any investment. And that's put -- that puts downward pressure on rates.

If you're allowing consumers, through no management or you're allowing consumers through a not-very-well-designed rate, to charge on peak, what you're doing, arguably, is costing other customers money.

So, a rate design needs to -- needs to capture, as best possible, the cost associated with charging at different times of day. There's --

COMMISSIONER BROWN: I agree. I agree.

MR. FARNSWORTH: -- time-of-use rates. There -- there's critical-peak pricing, which -- which says, look, you can charge on peak, if you want, Mr. Electric Vehicle, but you're going to pay for it.

There's a very simple example here in Vermont. There -- there's an on- and off-peak program that

Green Mountain Power has provided. They use ChargePoint. I have a ChargePoint app on my telephone. They notify me 24 hours ahead of time -- they say, you know, tomorrow, starting at 4:00, for example, they'll say, that's a -- that's going to be an on-peak period. We want you to know that. They don't say, Farnsworth, you can't charge then. You can, but they want you to know that.

Well, I won't charge then because, in my agreement with them, I've got a good rate when I don't have to charge -- when I -- I've got a good rate when I charge at better times that they've notified me about.

And I've got all sorts of time to charge. There's no need to charge on-peak, but if I do, I pay four times what my basic electricity rate would be, 15-cent kilowatt hour times four. So, I pay 60 cents a kilowatt hour. So, that's not going to kill me, but it's really annoying if I can charge at, you know, far-less expense other times of the day effortlessly and I didn't do anything to avoid that peak.

COMMISSIONER BROWN: Very interesting. Thank you so much.

MR. FARNSWORTH: I would add that, again, the

states that I mentioned in response to Commissioner Polmann's question have developed really sensible rate designs. And, like I said, these papers that we put out cite to other papers that go into rate design in far greater detail.

COMMISSIONER FAY: Mr. Farnsworth, I've got a follow-up question.

MR. FARNSWORTH: Yes.

COMMISSIONER FAY: Unless -- Commissioner Brown, unless you have anything else.

COMMISSIONER BROWN: No, thank you.

COMMISSIONER FAY: So, I appreciate you talking about the different times and rates of -- of charging. In a similar position, if you charge at night, you -- in Tallahassee, you get a better, reasonable rate. And if you need to -- taking a trip somewhere, you have to use a Level 3 charger. It costs significantly more.

And I think, to your point, that -- for some people, that's -- that's not an option. If you're traveling and you've got to jump off the highway and charge your vehicle on a Level 3, you're going to pay that price.

And I think it's important that, when we talk about all this, we include the reality that the

owners of these vehicles do have some additional costs. And that's -- that's part of the process. You obviously don't have to stop at a gas station to fill up, but you still need to charge at those Level 3 charging stations.

And I think there's, like -- there's a difference -- and I don't know if I'd call it rate design, necessarily, but there's just a reality that, depending on the setup, that you might have a third party and/or a utility charging those -- those different rates, which seems to be effective.

But I was wondering if you have seen an example of the -- the demand being satisfied by a state that -- that hasn't engaged with the utilities. It seems extremely challenging to have a structure that would satisfy demand and encourage consumers to buy green vehicles if the utilities aren't investing on their end.

MR. FARNSWORTH: I -- I think I -- I agree with your observations. It's -- sometimes charging is going to be expensive. And when you think about gasoline, you may be -- so, out in the countryside and you want -- you need some gasoline because you just don't want to run out of gas. And you stop, and you say, wow, this place is expensive. Well,

you might not fill up. You might just enough to get to a place where the station is not so expensive and you sort of manage things that way.

I think over -- over time, it's likely that batteries are going to get bigger or they're going to have greater capacity that will allow for more flexibility, but at -- but at the moment, I think you've described the -- the situation -- I think you've described the situation correctly. And people have to figure out how to best manage their travel. And they're going to run into some expensive -- to run into expensive examples.

I think any state that hasn't started to have these discussions will have a situation where charging works the way -- the way it -- the way it happens to work today; and that is, it might be just flat rates paying for -- paying for electricity.

In my example, in Vermont, it will be 15 cents, if -- if Green Mountain Power didn't control this, it would be 15 cents at 5:00 at night, it would be 15 cents a kilowatt hour again at 2:00 in the morning. And until states get ahold of that, there's a problem associated with charging during peaks that can add costs to others. And there's

the missed opportunity of charging off-peaks when somebody can get really far-less-expensive fuel to get a mile down the road.

And so, the sooner that states take on this topic and explore this and understand that, the sooner they -- they can put in whatever approach they -- they think is suitable, whether it's fixed management or whether it's rate design to -- to manage EV charging in a way that's -- that's most useful and advantageous to everybody on the system.

COMMISSIONER FAY: Yeah, thank you. I -- I appreciate that. And I'm probably overly optimistic, right. I -- I'm hopeful that we're going to see growth at a rate that is significant, but I guess with that -- that, you know, optimism comes the reality that there might need to be load adjustments and -- and that question is going to come up on the back end, but I almost -- I hope that we have that -- that issue come to us because that means the growth of the EVs and the use of the load on -- on our grid is growing.

So, I guess only time will tell, but I do appreciate the feedback.

MR. FARNSWORTH: Okay.

COMMISSIONER BROWN: And if I may add another

quick little question after Commissioner Fay's thoughtful discussion with you, regarding the grid benefits and whether we've -- you've been able to see actual, quantifiable grid benefits in states around the country, whether it's through the battery storage or load management -- I mean, can you quantify that in some of the states that you are looking at?

MR. FARNSWORTH: You know, the -- the best and most accessible characterization of this that I have seen was a paper put out by Synapse Energy Economics about charging in California. They did this about two and a half or three years ago.

(Simultaneous speakers.)

MR. FARNSWORTH: Just recently. Well, see, California has been at this since 2011. And what's really interesting is they spent -- for example, they spent several years waiting for something to happen. And then the Legislature said, no, let utilities invest in this infrastructure and then -- then things started to happen.

But this is an example of rate designs because you have big IOUs, the ones I mentioned earlier, developing rate designs to see -- to see whether or not charging could be managed and -- and seeing

what the economic results of those rate designs would be.

Synapse came out with a study about two and a half years ago, as I mentioned, a short paper. And then they updated that, I think, in the last six months or so. I can -- I'll make a point of getting you that paper.

But what they found out was that -- and I apologize for not having the precise numbers -- but for many, many hours, hundreds of thousands of hours of charging EVs, a minuscule amount of distribution system has had to be upgraded to accommodate the growth of EVs there.

They've been able to manage to the times of day when nobody is using the electric -- well, relatively speaking, no one is using the electricity system. There's all this capacity out there available, and they haven't had to invest large amounts.

I think that's a huge lesson for states because, oftentimes -- and I made the same mistake when I started thinking about this. I -- you're, all of a sudden, sort of solving for 2050 or you're solving for 50-percent penetration of EVs.

You don't have to do that. You should start

thinking about 2024, 2025. You should be thinking about 1-percent penetration, 3-percent penetration and solve for that.

It's a manageable effort that you can undertake to manage this charging, to see how investment works, to see -- to find out the things you need to learn about, what sort of -- what -- how do customers behave to a rate design that is -- that -- that gives you an energy charge that's half of what the normal charge is or that's a third of what the normal charge is. How -- how do they behave. What do their load shapes look like. What does that do for the power system.

COMMISSIONER BROWN: Thank you.

MR. FARNSWORTH: These are all the things you need to learn.

COMMISSIONER BROWN: Thank you. I -- like Commissioner Fay, I am also optimistic that the growth in Florida will exceed expectations. So, having that information about how the grid is managed is -- effectively with that growth is very important for us.

MR. FARNSWORTH: I understand. I -- I agree with you both in that respect. Certainly do.

So, EV charging is a topic you're going to be

running into. I believe that you've already dealt with the question that most states have to deal with: Is a charging -- EV-charging provider a utility. Do they need to be regulated. Most states either administratively or legislatively have said, no, this is a service. This is different than regulating a utility.

So, it -- it -- it's still -- as I mentioned, you still have a number of different submarkets for charging to consider and they come with their special aspects.

Next slide, please. I have a couple more of these questions to -- these common questions to -- to deal with here. What I want to do is emphasize the importance of programs. If you want consumers to be able to navigate this, utility programs are going to be very, very important.

I want to give you sort of two anecdotes to -- to think about. So, at a NARUC meeting about ten years ago, there was -- there was an -- a utility executive who ran that large IOU's energy-efficiency programs. And he was -- he was a good speaker, really provocative, kind of fun.

And he said -- he got up and said to a room-full of regulators -- he said, regulators think

that I implement energy-efficiency programs. And then he just paused because, of course, that's what everybody thought he does.

He said, I don't implement energy-efficiency programs; I sell energy efficiency. And he went on to explain, I sell energy efficiency just like I -- just like I sell automobiles or outboard motors or condominiums. My job is to sell, to make customers comfortable with my product, make them understand, to make them comfortable with paying what I'm asking them to pay for.

And I think that's a really important point for regulators because you are not marketing specialists. You don't have the contact with customers. You're sort of looking at programs from the implementation side, which I think is the appropriate point of view to take.

But when you think about, for example -- let's just -- you know, a young woman, she wants to buy her first new car. She's been driving a used Honda -- like the Honda from my example, right. She's been driving that for five years. She wants to buy an electric vehicle.

Where is she going to learn about what cars are available to her. Where is she going to learn

about what rebates are available. Where is she going to learn about the charging resources available to her or if there's a good charging rate that would allow her to charge her car in a -- in a useful way that would save her some money. Where is all this information?

Is -- is there a pro- -- will the utilities provide a program that provides that information and that will enable her to make an informed decision or is she just going to be overwhelmed and fall back on, you know, another Honda, that kind of thing.

So, programs are -- I think are really important and -- and for regulators to understand that really means that they -- they have to allow utilities the ability to market and -- and I'm not saying just giving utilities free rein, but they have to be able to allow utilities to market and to sell this in the same way that that efficiency director from the IOU said, I sell efficiency; I don't implement programs. I think that's really important.

By the same token, it's critical that, as regulators, you get plans from utilities that say, this is what we're going to do. These are our

goals. This is our budget. This is the time frame. These are the metrics by which you can measure -- measure our reasonable progress at achieving these goals.

There's a distinction here, but I think it's really important that the consumer, the customer, gets put at the center here if you want to see things move ahead and you want utilities to be part of this market development.

Next slide, please. As I mentioned earlier, it's -- I encourage you to be comfortable with learning about this topic. You don't have to know it at all.

And one way of learning about this is to use pilot projects. There's a learning facet to it, but pilot projects are also an on-ramp to an actual program that the utility can run. I think of pilot programs as just transitional arrangements.

It will -- but they allow for experimentation. They allow for you to learn and for the utility to learn and for the public to learn because this is all new to -- it -- new to all of you. And, like I said, pilots can be a transitional arrangement for you to scale -- to the degree that you want to see that happen, scaling up to large programs.

I -- I've talked with a number of staff at utility commissions who say, so, what should this cost, what should a charger cost, what should it cost to install a charger, what should the rate design be to get customers to -- to not charge on-peak. All these questions come up.

And I think some of the answers are out there, but I think some are not because it's just going to be different in Minnesota maybe than it is in Florida, and it's going to be different in rural Florida than it is in -- in the cities in Florida.

And pilots allow you to learn and they allow you to scale up as -- and I think it's really important to consider -- to consider how -- how you go about doing this and taking on this -- this larger challenge. You can limit the budget. You can limit the time frame. You can build in next steps.

So, a 24-month pilot -- after 18 months, you can be moving to the point where the utility is telling you how they're going to build up this program -- this pilot into a real program or how they need to make changes in order to build up into a real program that -- that affects more than maybe a hundred or several-hundred customers.

CHAIRMAN CLARK: Mr. Farnsworth, I know we've got several -- the Commissioners are going to have several questions. If we could wrap it up pretty quick, we can move into questions. We still have several other items we need to cover this morning, please.

MR. FARNSWORTH: Certainly.

Next slide, please. I'm -- I'm going to provide you a couple of recommendations -- and you've already heard them: Take the opportunities to learn about this. Coordinate with your -- the rest of the organizations in -- in state government. Use those stakeholders. They can be very useful to you.

Next slide. Consider using pilots to learn about this and to learn about how Florida can do this.

Next slide, please. I've already mentioned this, a simple example: Fixed budget, fixed time frame, number of customers, gather data related to time-of-use rate design, for example. Okay. Put in metrics so you get reporting.

Don't do a pilot with an annual report. Get a spreadsheet every three months or every six months looking for six or eight things to make sure that

you're just keeping track of this. And share this with stakeholders so they can help you take these steps.

Next slide, please. Here are some resources. I think all those links are live, so you can go to these resources. Hope they're -- they're useful to you.

Next slide, please. Thank you very much for listening. This -- I've really enjoyed talking to you all please. It's been a pleasure.

CHAIRMAN CLARK: Thank you, Mr. Farnsworth. I know we've had -- you've generated a lot of questions and a lot of excitement. I'm afraid there's probably going to be several more questions that you're going to have to endure here. So, all right. Guys, opening up. Any -- any questions?

Commissioner Polmann.

COMMISSIONER POLMANN: Thank you, sir. I -- I'm sorry we have to endure this. It sounds painful, Mr. Commissioner -- Mr. Chairman.

Just one -- one point. Thank you very much for -- for raising the issue of pilot programs. We -- we have a great enthusiasm here in Florida for pilot programs, and maybe more than we should, in some regards.

And from your experience, if -- if -- if you can, I -- I know there's no real way to characterize the length -- you had mentioned some number of months, but it really is, you know, project-program specific.

Have you seen any -- any general experience around the country -- I appreciate the comments in particular about the fact that, you know, there should be regular reporting, don't wait until the end of the project, but -- but can you be more specific about the types of data, the types of analysis? What is the purpose of a pilot in this particular type of program?

MR. FARNSWORTH: Certainly.

COMMISSIONER POLMANN: I feel -- I agree with you, you know, it's something to do, but what are we looking for? That's the key. That's always been the key, in my mind, you know, let's -- we're going to measure something, we're going to learn something, we're going to come out of that with a result, but what is that result?

MR. FARNSWORTH: Sure. That's -- that's -- those are exactly the questions to be asking. So, that -- that rate-design example I gave you -- I suppose we could use that as an example.

Instead of doing a pilot, you could simply assume that a rate design, a time-of-use rate design, that has a differential price, like an off-peak price that is three times less expensive for energy charge -- energy costs than an on- -- than a typical 24-hour standard price -- that might be suitable.

And you could encourage the utilities -- utilities could come in and say, we want to do this for all -- all our ratepayers, whole house; or they could come in and say, we want to do this for EV ratepayers; or they might not want to do this, but I would encourage you to ask yourself what -- what sort of things do you want to learn.

Is -- is off-peak charging as -- as useful as possible? If that's one of the things you want to learn, then you could have a pilot where the utilities come in and propose a pilot and where you let stakeholders look at their proposal, give them 30 days to review it and comment on it.

And you're not writing a blank check. You're saying, here is the budget. You're not applying it to everybody because you don't -- if it goes -- if it goes sideways on you, you don't want to upset a bunch of people. Do it with a hundred people and

you find out if the rate design with a three-to-one differential or two-to-one differential changes behavior.

If you have -- well, there's one example in Xcel, in Minnesota, for example. They had a charging pilot. I mentioned that Navigant found that time-of-use rate designs with differentials change behavior, but time-of-use rate designs with technology resulted in even more change in behavior.

Xcel had a -- had a program where they wanted to do a time-of-use rate and, in addition to the first meter, they required a second meter. A second meter can cost as much as a couple-thousand dollars. Well, the pilot didn't really take off because people weren't that interested in shelling out money, a lot of money, to maybe save a little bit of money.

The advocates kicked the tires on the program, talked with the company and said, look, you can come in with a ChargePoint -- it's a non-revenue-grade meter -- for purposes of collecting utility data, but it's a meter that customers are willing to work with. It's -- it's Wi-Fi-enabled, so you can send signals about when is a good time to

charge, when is not. And it's far-less expensive. Try that. Try a pilot with that.

So, avoiding a $2,000 process, what they -- what they did was go ahead with that pilot. They were simply measuring whether customers would go ahead with a ra- -- an off-peak rate design using that configuration of meters. It turns out it was a real positive success. There were 94 percent of the customers charging off-peak.

It was a great success to the point where the utility came in and said -- before the end of the -- the pilot term, they said, Commission, we want you to -- to approve this approach and rate design because we think this works really well and --

COMMISSIONER POLMANN: All right. Thanks -- well, thank you. I -- I think what you're saying is, without sounding specific, but be -- be open to creativity and --

MR. FARNSWORTH: Be open, yes --

COMMISSIONER POLMANN: -- and pretty -- pretty broad about it.

MR. FARNSWORTH: I -- I think using stakeholders to help with this is -- is really helpful because, oftentimes, NGOs have -- that have

been working around the country will bring lessons that they've learned from other states to -- to your state. And that can be useful, not always, but it can be useful.

COMMISSIONER POLMANN: Well, thank you very much. I appreciate the comment.

MR. FARNSWORTH: You're welcome.

COMMISSIONER POLMANN: Very helpful.

CHAIRMAN CLARK: Thank you, Commissioner Polmann.

Commissioner Brown.

COMMISSIONER BROWN: Thank you, Mr. Chairman.

I'll -- just real briefly, I appreciate all the time that you have afforded us today here. Very interesting, Mr. Farnsworth. Appreciate the whole discussion, too.

Just, if you could do this real quickly, though, because I know we have limited time, what -- you kind of touched on it a little bit in terms of -- but I'd like to hear it from you. What role can electric transportation play in energy efficiency and conservation?

MR. FARNSWORTH: Oh, that's a good question, but you don't want me to take a long time, so I'll -- I'll try to be really --

CHAIRMAN CLARK: Short answer.

COMMISSIONER BROWN: We'll go offline later.

MR. FARNSWORTH: This shouldn't take more than 15 minutes to answer.

Well, the first point is, go back to the -- you know, the 120-megajoules example. That's -- an EV is just far more efficient, 60-percent more efficient, 70-percent more efficient at transferring energy to get the job done, right, but getting down -- the mile down the road.

There's a study that was done by a subgroup from EPRI on chargers. Level 2 chargers are about 10-percent more efficient than Level 1 chargers. That is just the extension cord plugged into the wall, taking, you know, 12 hours to charge your car versus a Level 2 charger that might take two, three, four hours to charge your car.

But -- so, there are efficiency opportunities here, but the way efficiency is analyzed by utility commissions around the country gets in the way of you recognizing these things.

For instance, there are electricity-efficiency programs. There are gas-company efficiency programs. Okay. And, for instance, there may be a really efficient way to heat water with

electricity, but the gas program is only going to look at the gas examples of that.

Your electricity program might include the effects on rates when you do the analysis, and it might look at the potential savings associated with a heat-pump water heater, but it might not include other things.

Currently, the way efficiency is analyzed is probably not going to include, unless you have a societal cost test, the fact that I'm no longer paying for gasoline. You're not going to recognize those savings. Okay. If you go more broadly, you can recognize those savings.

So, my quick answer is there -- there are many opportunities. The analyses that states are doing need -- need some works. There has been some work done by the National Standard Practice Manual folks, which a number of efficiency folks from around the U.S. -- which I would recommend you take a look at.

The quick takeaway from that is they're saying, if your state has a policy and efficiency investments are -- are -- are promoting that policy, you should recognize those benefits and include them when you're doing the accounting, the

cost and the benefit accounting. And to not include them is -- is not particularly rational and -- and won't provide you with the benefits or will provide you with a skewed view of the costs and benefits.

Sorry to run through that so quickly, but those are some opportunities.

COMMISSIONER BROWN: Thank you. Thank you, again, for your time today.

CHAIRMAN CLARK: Thank you, all.

Okay, guys, Mr. Farnsworth has agreed to make himself available to -- offline for any additional questions or discussion that you guys would like to have. So, please feel free to -- to carry on those conversations.

Mr. Farnsworth, thank you so much. It's been a fantastic presentation, a lot of information, a lot of really good information for the -- the Commission to take into consideration as we move forward with Florida's plan. So, thank you, again, for being with us today.

MR. FARNSWORTH: You're very kind. Thanks. Thanks so much. It's been my pleasure. And please follow up with me with any -- any questions you may have. Thank you.

CHAIRMAN CLARK: Thank you.

COMMISSIONER FAY: Thank you.

CHAIRMAN CLARK: Okay. With that in mind, the second part of our Internal Affairs today is an update on the EV master-plan activities from our staff, Mr. Ben Crawford with IDM.

Are you on the line, Ben?

MR. CRAWFORD: Yes, I am. Can you hear me okay?

CHAIRMAN CLARK: Yes, sir, we can. You want to give us your report, please.

MR. CRAWFORD: Great. Yes, I'd be happy to.

Good morning, Commissioners. My name is Ben Crawford. I'm a public utilities supervisor in the Office of Industry Development and Market Analysis. I'm here to provide a status update on staff's activities related to the PSC's obligations of Senate Bill 7018.

Senate Bill 7018 was passed by the Legislature on March 11th, 2020, and approved by the Governor on June 9th, 2020. The bill requires the Florida Department of Transportation, in consultation with the Florida Public Service Commission and the Energy Office of the Florida Department of Agriculture and Consumer Services, to coordinate,

develop, and recommend a master plan for the development of electric-vehicle charging-station infrastructure along the state highway system. This plan is due to the Governor, the President of the Senate, and the Speaker of the House of Representatives by July 1st, 2021.

Senate Bill 7018 assigned numerous duties to the Commission in support of the development of the master plan. These duties include projecting the deployment of electric vehicles in Florida over the next 20 years and determining how to ensure an adequate supply of charging stations; evaluating and comparing the types of electric-vehicle charging stations available now and in the future and any advantages for developing particular types or uses of these stations; considering strategies to develop the supply of charging stations, including partnerships with other governmental and private stakeholders; identifying regulatory structures necessary for the delivery of electricity to charging stations; and reviewing emerging technologies in the electric and alternative-vehicle market, including alternative fuel sources.

Over the past few months, Commission staff has

been meeting with the Department of Transportation and Energy Office staff in order to coordinate the activities of the respective agencies and to establish a time line for meeting the obligations of the bill.

Through this process, staff has agreed to supply our contribution to the Department of Transportation in early February of 2021 for incorporation into a draft master-plan final report.

From there, the DOT has plans to submit the draft final report for public review and a webinar as well as a com- -- comment period before finalizing the report for submission to the Governor by July 1st.

Because it will take a mix of research and stakeholder engagement to -- in order to develop any information we're responsible for, staff is taking a two-track approach. For these questions that can be best answered through research, staff has already begun examining available information to ensure that our knowledge of the subject is as up to date as possible.

For those matters that we feel are best developed with stakeholder input, Commission staff

sent out a request for comment on September 2nd, 2020, to stakeholders that included Florida's investor-owned utilities as well as other organizations and EV-industry groups.

Staff has asked for comments to be submitted by October 2nd, 2020. We've also scheduled a staff workshop on October 21st, 2020, to discuss the stakeholder comments and the issues raised therein.

If necessary, to further flesh out discussion from the workshop, we have built in time for a round of post-workshop comments as well. Following this process, staff will develop our contribution to the DOT report.

Thank you for the opportunity to update you all on all of this, and I'll be happy to answer any further questions that you have.

CHAIRMAN CLARK: Great. Thank you, Ben.

Commissioners, any questions for Mr. Crawford?

Mr. Fay -- Commissioner Fay.

COMMISSIONER FAY: Thank you, Mr. Chairman.

Just real quick for Mr. Crawford, how -- how do you determine who the stakeholders should be to reach out to?

MR. CRAWFORD: We have a mix of potential people. Some of them have commented before when

we've done the workshops and the comment processes for our past EV reports. And some -- you know, some of them are just obvious stakeholders in the industry like the IOUs, like some of the -- the big EV charging groups.

And some of them, we got in consultation with the other agencies, with DOT and DACS. We spoke to them and they had some recommended stakeholders to send the questionnaire out to.

So, we've cultivated a very nice list and I think it represents a good mix of stakeholders and people whose voices we'd like to hear on the subject. And I think we're going to get some very useful information.

COMMISSIONER FAY: Yeah, that -- that's great. I appreciate it. You answered my follow-up question, that you're communicating can DOT and their -- their stakeholders, so there's continuity there. I appreciate it, Ben. Thank you.

CHAIRMAN CLARK: Thank you, Commissioner Fay.

Commissioner Polmann.

COMMISSIONER POLMANN: Thank you, Mr. Chairman.

Mr. Crawford, excellent overview. I appreciate that. I had a -- a question about the

forecasts. I believe you indicated a 20-year forecast; was that correct?

MR. CRAWFORD: That's correct, sir.

COMMISSIONER POLMANN: Just very briefly, could you respond in terms of the -- the source of the information? I think it's very broad in terms of your -- your speaking with various stakeholders. It's -- the entire group will be involved in developing methods for the forecasts; is that correct?

MR. CRAWFORD: Yes, Commissioner. What we're -- what we're doing is we've got a baseline that we're starting with, which relies on information we've gotten primarily from the Department of Transportation.

We're also going to communicate with -- you know, the various stakeholders will have different methods of estimating this. A lot of this -- these forecasts are going to be very dependent on what the growth rate is, what the -- what -- you know, the rate at which new models are -- are introduced.

And a lot of this is going to be the sort of circular arrangement, whereas, the more charging infrastructure we get, the more encouragement there's going to be for people buying EVs without

having concerns about ra- -- range anxiety or, you know, they'll be able to get a charge when they need to.

When we've done this in the past, we've primarily reached out to the -- the IOUs and other stakeholders and they've provided us with their estimates, but it's always provided a large range. And, in some ways, that's a good thing. It gives us a sense of what people are seeing is the high end of the potential deployment and what the low end is.

When we did this in 2012, we had a -- a very extensive range of estimates. And the actuals that we -- you know, we started to see in the last few years were actually below the bottom of the range at that time.

At the same time, I think we have much better information now than we did then and a lot of that was based on estimates that -- you know, we're in the very early stages of EV development.

So, what we're hoping we do is by reaching out to all of these very different stakeholders in the process, that we're just going to get a very good range and based on much better knowledge than we've had in the past, and that that will help us really

try and narrow in on what we can expect to see over the next 20 years.

We're -- we're not necessarily going to be developing our own estimates just because that -- a lot of that speaks to things that are -- that other parties have a little more expertise or a lot more expertise in, but we're going to be trying to sort of synthesize the responses we get from the stakeholders in the process and try and develop a good number based on that.

COMMISSIONER POLMANN: Certainly. Thank you.

The -- the follow-up to that, is there -- I'm just not familiar with the detail. Is there legislative intent or -- or executive intent through this bill to update these forecasts? Is there a periodic update requirement other than this initial report for next year?

Looking at a 20-year forecast, is there an expectation this will be reviewed at some point in the future -- you know, a five-year review -- or is that just not specified at this point?

MR. CRAWFORD: The bill, itself, did not specify any kind of recurring -- recurring process for this, that I recall anyway. I -- I -- I think it was the way that most of these have been -- when

we did this initially in 2012, it was just a singular report that we were asked to do.

And 7018, as I recall, has the same situation. It's simply, this is a master plan we're going to be putting together and -- and submitting to the Legislature and, if history is a guide, they'll probably --

COMMISSIONER POLMANN: Okay.

MR. CRAWFORD: -- repeat this at some point, possibly with a different set of requirements because they've changed a little bit who's involved and who's running it every time. So, that may --

COMMISSIONER POLMANN: Okay.

MR. CRAWFORD: That -- it may well be revisited, but it's not scheduled right now.

COMMISSIONER POLMANN: All right. Thank you, Mr. Crawford.

Thank you, Mr. Chairman. That's all I have.

CHAIRMAN CLARK: Thank you, Commissioner Polmann.

Any other Commissioners have any questions?

Commissioner Graham.

COMMISSIONER GRAHAM: Thank you, Mr. Chairman.

Mr. Crawford, you said the request for comment went out Septem- -- September 2nd?

MR. CRAWFORD: Yes, Commissioner.

COMMISSIONER GRAHAM: Have we received any comments in yet?

MR. CRAWFORD: I haven't seen anything yet. I did a quick glance of the -- it's -- that we filed to the undocumented -- to the un-docketed file or sent to me directly. I haven't received anything directly. I didn't see anything in the un-docketed docket, but at the same time, I didn't do a deep dive on it.

I wouldn't anticipate anything this early. It's been less than two weeks. They've got -- they've got, I think, two weeks from this coming Friday, if I recall the date correctly, to submit. So, I -- I imagine we'll starting seeing stuff closer to the end of the month.

COMMISSIONER GRAHAM: Now, when this request for comment went out, that's for -- this is just us; that wasn't Ag going out for comments and DOC going out for comments, as well; this is just our staff reaching out for comments?

MR. CRAWFORD: That's correct, Commissioner. This was -- we -- something we sent out. We -- now, we -- we had consulted with DOT and with DACS on -- on the questions, but they're very much

focused on the areas of the report that we're responsible for and -- with the intent of leading into -- fostering the discussion for the workshop we'll be doing on October 21st.

COMMISSIONER GRAHAM: Okay. I'm just a little concerned if we don't -- haven't received anything yet. Now, granted, we're only halfway through this. I just don't want to come another two weeks and find out we only had one comment and, for some reason, find out there was a disconnect somewhere.

MR. CRAWFORD: In -- in my experience, Commissioner, we've -- we're more than likely to get more than we know what to do with than -- than not get enough to take action on, but we've got a little bit of time if we need to -- if we need to try and figure out a different approach to this. We -- we -- there's a reason we built in that -- that gap between the submission of the comments and the workshop, itself.

So, I'm -- I have confidence we'll be able -- I have confidence we'll get enough responses to build a meaningful workshop out of, but if not, we'll -- we'll just have to look at what our options are.

COMMISSIONER GRAHAM: All right. I appreciate

it.

Thanks, Mr. Chairman.

CHAIRMAN CLARK: Thank you, sir.

All right. Any other comments? Any other questions?

All right. Well, thank you very much, Mr. Crawford. We appreciate your presentation this morning. Thanks for being with us.

Item No. --

MR. CRAWFORD: Thank you, Commissioners.

CHAIRMAN CLARK: Thank you, sir.

Item No. 3, the draft 2020 regulatory plan.

Ms. Cowdery, are you on the phone?

MS. COWDERY: I am. Thank you, Mr. Chairman.

CHAIRMAN CLARK: Thank you.

MS. COWDERY: This is Kathryn Cowdery with the Office of General Counsel. Staff is seeking approval for the Commission's 2020 regulatory plan reporting on rulemaking in the upcoming year.

Section 120.74, Florida Statutes, requires the Commission to prepare a regulatory plan and submit the plan to the Joint Administrative Procedures Committee by October 1st of each year.

A certification by the Chairman and the general counsel that they have reviewed the plan

and that the plan -- that the Commission regularly reviews its rules for correctness is also required. The plan must be posted on the Commission website and the certification submitted to the Joint Administrative Procedures Committee by October 1st, 2020.

We plan to work with the Chairman's office to submit the certification letter to the Joint Administrative Procedures Committee. And we ask the -- for administrative authority to correct any scrivener's errors as necessary before posting the plan.

Staff is available to answer any questions.

CHAIRMAN CLARK: Thank you, Ms. Cowdery.

Okay. Commissioners, conversation? Discussions?

Commissioner Polmann.

COMMISSIONER POLMANN: Thank you, Mr. Chairman.

At the -- at the risk of going off the deep end, I'm just curious if -- if there's any appetite anywhere -- not necessarily in this list, but at any point in the future, if the Commissioners are interested in reviewing the -- the notion of confidential hearings. We've had a recent

experience that -- that challenged this.

CHAIRMAN CLARK: Well, let's -- let's discuss it. Ms. Helton or Mr. Hetrick, from a statutory perspective of the statutes, as we're -- related to the regulatory plan, looking at those statutes that -- that are -- would define confidential hearings, is that something we would have any regulatory authority in -- over? Let me state that --

MR. HETRICK: Mr. Chairman, I -- we have looked at that. And actually, we -- we believe that it would require a statutory change first before we could get into any form of rulemaking, that being specifically an exemption to the state's Sunshine Law to specify circumstances under which the Commission may be justified or wish to go into a special closed-hearing-type scenarios --

We've actually given that thought. We have some information on that, if -- if the Commission is interested in -- in dealing with this from a legislative perspective, but right now, I don't think, pursuant to this regulatory plan, there's much room for us -- based on the current statute, for us to do anything to do a meaningful way to address Commissioner Polmann's concern without

going to the Legislature first.

CHAIRMAN CLARK: Okay. Other comments, Commissioners?

No comment. Okay. Let's discuss the regulatory plan. Any comments or questions on the regulatory plan? I assume we do need a motion to approve this; is that correct? I'll entertain a motion to approve the regulatory plan as presented with authority to give staff administrative leave for any errors.

COMMISSIONER BROWN: So moved.

CHAIRMAN CLARK: I have a motion. Do I have --

COMMISSIONER POLMANN: Second.

CHAIRMAN CLARK: -- a second? I have a motion and a second. Any discussion?

On the motion, all in favor, say aye.

(Chorus of ayes.)

CHAIRMAN CLARK: Opposed?

Motion carries unanimously. All right. Thank you very much.

Let's look to Item No. 4, General Counsel's report. Mr. Hetrick, do you have anything?

MR. HETRICK: Nothing at this time, Mr. Chair. Thank you.

CHAIRMAN CLARK: Thank you.

Mr. Baez.

MR. BAEZ: Thank you, Mr. Chairman and Commissioners. One brief item, but before I get into it, I -- as always, I want to send my heartfelt thanks and encouragement to our staff of professionals both here in town and -- and across the state.

They continue to give their greatest efforts on our mission as an agency. And I just want them to -- to know how much, certainly, I appreciate it. I hope you can join me in those sentiments as well. And we also keep their safety in mind -- them and their families. Thank you.

My item today is -- it's going to be brief. As you know, we are filing -- agencies are supposed to file their legislative budget requests for the '21-'22 budget year by October 15th.

Staff is now just putting the finishing touches on last-minute instructions and requirements that came down recently. None of these impact the bottom line of the budget requests.

I've discussed with each of you individually what our plans for the coming -- or for the -- for

next budget year are. As is pretty common -- has been pretty common, of late, we -- we believe that submitting a flat budget request for '21-'22 is -- is the most prudent way to go.

I say that in light of legislation that -- that has come recently. The storm-protection-plan legislation gave us three positions last budget cycle. So, we're going to hold the line on that.

The -- the number for the legislative budget request is just shy of 26 million -- that's 25.9 million. And we will keep you abreast of any changes to the circumstances as they are now, but we're -- we'll be ready to go.

What we're asking for you today is, as always, some consensus as to the filing of the LBR. If you have a questions, I'm happy to answer them.

CHAIRMAN CLARK: All right. Any questions on the LBR?

Commissioner Fay.

COMMISSIONER FAY: Thank you, Mr. Chairman.

Just real quick, Braulio, there's no component of that budget that is general revenue, correct? It's all trust fund.

MR. BAEZ: Not at -- not at the -- not -- not at this time. Not for this budget year, no.

COMMISSIONER FAY: Okay. Great.

MR. BAEZ: And we're not running any issues, as -- as I mentioned before.

COMMISSIONER FAY: Okay. Great.

That's all I have, Mr. Chairman. Thank you.

CHAIRMAN CLARK: Thank you, Commissioner Fay.

Any other questions regarding the budget?

All right. If there are no other questions, just a couple of comments as we close today. I would just like to remind everyone to keep those that are in the path of Hurricane Sally in our thoughts and prayers.

This is -- Florida may have avoided the bulk of an impact, but I do believe that some of our close friends on our most-western end of the state, Escambia, Santa Rosa County, are probably going to be feeling some impacts over the next day or so.

I know the resources are out and available to those guys. The EOC has been properly manned and staffed. And we're providing and taking care of those resources, but thank you to all of our staff, all of our utility workers that are preparing themselves to step into harm's way to make sure that we all have this thing that we've come to love and enjoy called energy.

So, thank you for the work that you're doing in the field. Thank you to all of our staff for your contributions.

Anybody have anything else before we conclude today?

All right. Seeing none, we stand adjourned. Thank you so much. See you on Thursday.

(Whereupon, the proceedings concluded at 12:00 p.m.)

CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, ANDREA KOMARIDIS WRAY, Court Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 28th day of September, 2020.

ANDREA KOMARIDIS WRAY
NOTARY PUBLIC
COMMISSION #GG365545
EXPIRES February 9, 2021