

Antonia Hover

From: Antonia Hover on behalf of Records Clerk
Sent: Thursday, April 29, 2021 5:05 PM
To: 'phil@evtransportationalliance.org'
Cc: Consumer Contact
Subject: FW: Certificate of Service and Comments for Docket No. 20210016-EI
Attachments: DEF FL PSC ATE Comments FINAL.4.29.21.pdf

Good Afternoon, Mr. Jones.

We will be placing the comments below in consumer correspondence in Docket No. 20210016, and forwarding them to the Office of Consumer Assistance and Outreach.

Thank you!

Toni Hover
Commission Deputy Clerk I
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399
Phone: (850) 413-6467

From: Philip Jones <phil@evtransportationalliance.org>
Sent: Thursday, April 29, 2021 2:02 PM
To: Records Clerk <CLERK@PSC.STATE.FL.US>
Cc: Cate Pousson <cate@evtransportationalliance.org>
Subject: Certificate of Service and Comments for Docket No. 20210016-EI

Please see the attached Certificate of Service and Comments from the Alliance for Transportation Electrification in regards to the Duke Energy Florida Proposed Electric Vehicle Programs.

Sincerely,

Phil Jones,
Executive Director
Past President of NARUC and Former Washington UTC Commissioner
Alliance for Transportation Electrification (ATE)
(<https://evtransportationalliance.org>)
1402 Third Avenue, Ste. 1315
Seattle, WA 98101
Mobile: 206.335.5451

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Duke Energy Florida Proposed
Electric Vehicle Programs

DOCKET NO. 20210016-EI
DATED: April 29, 2021

CERTIFICATE OF SERVICE

I hereby certify that I caused, on this day, a copy of the foregoing PUBLIC COMMENTS OF THE ALLIANCE FOR TRANSPORTATION ELECTRIFICATION in the above captioned proceeding to be served to all known parties by electronic mail, to each party named in the attached, official service list for proceeding docket 20210016-EI obtained from the Commission's website, attached hereto, and pursuant to the Commission's Rules of Practice and Procedure.

The official service list I use is current as of today's date

Dated April 29, 2021 at Seattle, Washington

Philip B. Jones
Executive Director
Alliance for Transportation Electrification
Seattle, WA 98101
phil@evtransportationalliance.org

/s/Phillip B. Jones
Philip B. Jones

Bicky Law Firm (21)

Bernice I. Corman
1250 Connecticut Ave., NW, Suite 700
Washington DC 20036
(202) 213-1672
bcorman@bickycormanlaw.com
Represents: EVgo Services, LLC

Duke Energy (21a St. Pete)

Dianne M. Triplett/Catherine Stempien
299 First Avenue North
St. Petersburg FL 33701
(727) 820-4692
(727) 820-5519
Dianne.triplett@duke-energy.com
Represented By: Shutts Law Firm

Duke Energy (21b Tall)

Matthew R. Bernier
106 E. College Avenue, Suite 800
Tallahassee FL 32301
(850) 521-1428
(850) 521-1437
FLRegulatoryLegal@duke-energy.com
matthew.bernier@duke-energy.com
Represented By: Shutts Law Firm

EVgo Services, LLC (21)

Carine Dumit
11835 W. Olympic Boulevard, Suite 900E
Los Angeles CA 90064
(877) 494-3833
carine.dumit@evgo.com
Represented By: Bicky Law Firm

Florida Industrial Power Users Group (21)

Jon C. Moyle, Jr.
c/o Moyle Law Firm
118 North Gadsden Street
Tallahassee FL 32301
(850) 681-3828
(850) 681-8788
jmoyle@moylelaw.com

mqualls@moylelaw.com

Nucor Steel Florida, Inc. (21)

Corey Allain
22 Nucor Drive
Frostproof FL 33843
(843) 546-5777
corey.allain@nucor.com
Represented By: Stone Law Firm

PCS Phosphate - White Springs (21)

James W. Brew/Laura Wynn Baker
c/o Stone Law Firm
1025 Thomas Jefferson St NW, Suite 800
West
Washington DC 20007
(202) 342-0800
(202) 342-0807
jbrew@smxblaw.com
lwb@smxblaw.com

Shutts Law Firm (19a)

Daniel Hernandez/Nicole Zaworska
4301 W. Boy Scout Blvd., Suite 300
Tampa FL 33607
(813) 227-8114
(813) 227-8214
DHernandez@shutts.com
NZaworska@shutts.com
Represents: Duke Energy Florida, LLC

Shutts Law Firm (20a)

Daniel Hernandez/Melanie Senosiain
4301 W. Boy Scout Blvd., Suite 300
Tampa FL 33607
(813) 229-8900
(813) 229-8901
DHernandez@shutts.com
lriehle@shutts.com
msenosiain@shutts.com
Represents: Duke Energy Florida, LLC

Spilman Law Firm (21 NC)

Stephanie U. Eaton
110 Oakwood Drive, Suite 500

Winston-Salem NC 27103
(336) 631-1062
(336) 725-4476
seaton@spilmanlaw.com

Represents: Walmart Inc.

Spilman Law Firm (21 PA)

Barry A. Naum
1100 Bent Creek Boulevard, Suite 101
Mechanicsburg PA 17050
(717) 795-2742
(717) 795-2743
bnaum@spilmanlaw.com

Represents: Walmart Inc.

Stone Law Firm (21a)

Michael K. Lavanga
1025 Thomas Jefferson St., NW, Ste. 800
West
Washington DC 20007
(202) 342-0800
(202) 342-0807
mkl@smxblaw.com

Represents: Nucor Steel Florida, Inc.

Walmart Inc (21)

2608 SE J Street
Bentonville AR 72716
seaton@spilmanlaw.com
bnaum@spilmanlaw.com

Represented By: Spilman Law Firm

AARP Florida (21)

Zayne Smith
360 Central Ave., Suite 1750
Saint Petersburg FL 33701
(850) 228-4243
zsmith@aarp.org

Advanced Energy Economy

Ebo Entsua/Leah Rubin Shen
1000 Vermont Ave. NW
3rd Floor
Washington DC 20005

(202) 380-1950
eentsuah@aee.net
lrubinshen@aee.net

ChargePoint, Inc. (21)

Justin Wilson/Matthew Deal
254 E. Hacienda Ave.
Campbell CA 95008
(479) 283-2995
matthew.deal@chargepoint.com
justin.wilson@chargepoint.com

Represented By: Jenkins Law Firm

Electrify America, LLC (a)

Andrew Dick/Jigar Shah
2003 Edmund Halley Drive
2nd Floor, Suite 200
Reston VA 20191
(571) 471-9838
jigar.shah@electrifyamerica.com
andrew.dick@electrifyamerica.com

Florida Consumer Action Network

Bill Newton
billn@fcan.org

Greenlots

Joshua Cohen
1200 G Street NW
Washington DC 20005
(410) 989-8121
jcohen@greenlots.com

Jenkins Law Firm

Alan R. Jenkins
2950 Yellowtail Ave.
Marathon FL 33050
(404) 729-2037
aj@jenkinsatlaw.com
Represents: ChargePoint, Inc.

MCD Notice of Hearing (Electric)

Office of Public Counsel (21z)

Richard Gentry/Charles J.
Rehwinkel/Anastacia Pirrello

c/o The Florida Legislature
111 W. Madison St., Rm 812
Tallahassee FL 32399
(850) 488-9330
(850) 487-6419
rehwinkel.charles@leg.state.fl.us
gentry.richard@leg.state.fl.us
pirrello.anastacia@leg.state.fl.us

Vote Solar (21b)
Katie Chiles Ottenweller
Atlanta GA (706) 224-8017
katie@votesolar.org

BEFORE THE STATE OF FLORIDA
FLORIDA PUBLIC SERVICE COMMISSION
PUBLIC COMMENTS OF THE
ALLIANCE FOR TRANSPORTATION ELECTRIFICATION (ATE)
In Re Duke Energy Florida
Proposed Electric Vehicle Programs
Docket No 20210016-EI

The Alliance for Transportation Electrification (the “Alliance” or “ATE”) is pleased to submit the following public comments in this Proceeding of the Florida Public Service Commission (FPSC) in Docket No. 20210016, In re: Petition for limited proceeding to approve 2021 settlement agreement, including general base rate increases, by Duke Energy Florida, LLC (DEF) and related consolidated dockets. We recognize the 2021 Settlement Agreement that is the topic of this proceeding covered numerous areas related to DEF’s base rates and recovery of storm restoration costs. In these comments, ATE wishes only to comment in support of the elements of that Settlement Agreement that relate to transportation electrification (TE) programs. We take no position with respect to other issues.

The Alliance believes that the three proposed TE programs are just, reasonable, and will provide numerous benefits to the state of Florida and to the general body of ratepayers of Duke Energy Florida and thus should be approved. We will provide comments that support this thesis based on the programs proposed, experience in other states, and the need to advance the electric vehicle market in Florida to meet state policy objectives. The Alliance is aware that there may be one or more parties providing comments in this proceeding that argue against any utility role in developing EV infrastructure, and in particular utility ownership and operation of charging facilities. We will discuss herein why we believe their arguments are faulty and would result in the hindrance of progress in EV markets and economic and environmental losses to the state of Florida and to Duke Energy Florida customers.

Background and Introduction

The Alliance for Transportation Electrification, a 501(c)(6) non-profit corporation, is led by utilities, electric vehicle (EV) infrastructure firms and service providers, automobile manufacturers, and EV charging industry stakeholders and affiliated trade associations. We started with 20 organizations at the launch in early 2018. By taking a “big tent” approach to advance the industry, we have grown rapidly to include about 50 national dues-paying members and affiliated organizations. We are actively involved in over twenty regulatory and other state proceedings around the country today.

This proceeding follows from a 2017 Settlement Agreement previously approved by the Commission that allowed DEF to move forward with an Electric Vehicle Pilot. The 2017 Settlement required that “DEF shall either initiate a separate proceeding for approval of a permanent electric vehicle charging

station offering within 4 years of the Effective Date or shall make a filing with the Commission to explain why a permanent offering is not warranted.” The 2021 Settlement Agreement that is the subject of this proceeding includes DEF’s proposal for a permanent EV charging station offering and recommends terminating the Pilot programs established by the 2017 Agreement.

In the 2021 Settlement Agreement at issue here, DEF proposes to implement three new EV programs. First, DEF proposes to add a residential EV Non-Time of Use (“Non-TOU”) credit program. Residential customers not on a whole home TOU rate who have EV charging stations located at their residence and who participate in the program will be eligible for a \$10 per month credit as a proxy for being on a TOU rate. The credit will be paid monthly to participating residential customers who observe off-peak charging. Customers will be allowed to “opt out” and charge during on-peak hours no more than twice in one month; customers who charge on-peak more than twice in one month will not receive that month’s credit.

Second, the Settlement Agreement proposes that DEF implement a rebate program for Commercial & Industrial (“C&I”) customer charging stations. In exchange for the rebate, the C&I customer must install all EV chargers behind a separate meter and take service on schedule GST-1, a non-demand TOU rate schedule. The rebate amount will vary depending on the type of segment where the EV charging station is being installed. The rebates range from \$304 for Level 2 MUD chargers to \$35,600 for fleet-based DC fast chargers (DCFC). The cost target is \$29 million (plus \$1 million for O&M) for up to 4,830 chargers at C&I customer locations.

Third, DEF would continue installing Company-owned DC Fast Charge stations that it started under the 2017 Pilot. DEF will be allowed to offer a new tariff for a Fast Charge Fee (“FCF-1”) to be collected from EV drivers using Company-owned DC Fast Charging stations. The Fast Charge Fee included in FCF-1 is based on the average cost for Fast Charging provided by other Fast Charging operators across Florida. DEF proposes 100 DCFC stations, at a targeted cost of \$25 million, with \$5.5 million in estimated O&M costs. The costs will be included in DEF’s rate base.

The total cost of the Company’s proposed EV Program is forecasted to be \$62.9 million over the four-year period 2022-2025.

With respect to the Commission’s determination as to whether to approve the three proposed DEF EV programs, we first note that the Alliance generally supports traditional cost causation principles (Bonbright) that have generally been accepted by Commissions and courts for a century as the foundation for development of rates and programs. Several key Bonbright principles are at play in the challenges of developing programs and rates for EVs and EV infrastructure, including: the ability of the regulated utility to attract capital on reasonable terms; the need for efficient management of the utility enterprise; the need to strike a balance on adequate supply keeping in mind scarcity; and finally allowing the utility to consider social equity and public policy in its programs and tariffs. But as is the case here, the Bonbright principles require a balancing of objectives and there are countervailing forces that must be considered in evaluating utility EV rates and programs.

First, while the general body of ratepayers may be asked (as is the case with DEF’s proposed C&I rebates and DCFC ownership) to share in the costs of utility programs that may at first glance benefit only EV owners, the fact is that benefits will accrue to all utility customers and more than offset the cost of the utility programs. Specifically, additional revenues that are generated through EV charging will likely

exceed any increased costs that the utility incurs in serving these new loads. Spreading the same fixed costs of the utility over greater kilowatt-hour sales results in downward pressure on rates for all customers. When EV owners are encouraged (through rate design or use of available technology) to charge vehicles in off-peak periods¹, these benefits can be maximized. In addition to lower costs, customers also benefit from improved, more efficient use of the grid and positive environmental benefits from reduced conventional tailpipe emissions of internal combustion vehicles. These benefits comprise what has become known as beneficial electrification.²

Thus, while rates may increase in the very short term as a result of adding costs to rate base, these increases will be more than offset in the longer term by rate reductions from electrification. A study performed on Southern California Edison and Pacific Gas and Electric demonstrated this fact in a real-world case. The study, by Synapse Economics, found that “from 2012 through 2017, EVs in California have increased utility revenues more than they have increased utility costs, leading to downward pressure on electric rates for EV-owners and non-EV owners alike. This finding holds across both utilities, and for customers on standard tiered rates and TOU rates.³” In this regard, utility investments in EV infrastructure are no different than investments in energy efficiency and demand-side management that are designed to reduce the utility’s overall costs. In these programs, as in TE, there are benefits to the body of ratepayers as a whole in addition to program participants.

Second, the EV market is so nascent, and its development so important to meeting the State’s policy objectives and environmental imperatives, that some cost-of-service principles, such as the notion that the beneficiary should bear the full burden of cost (either long-term or short-term) can be deferred until later. Besides the rate reductions noted above, TE will generate a number of other benefits such as the environmental benefits of GHG reductions, public health benefits through reducing local air pollutants, and others. It is important to recognize that these benefits will accrue to all customers across all rate classes, and not just to EV owners. Both the Florida legislature, in enacting the 2020 Essential State Infrastructure Bill (SB 7018), and the Governor in numerous public statements have emphasized the importance of TE in meeting policy goals for the state of Florida. To achieve the public policy goal, utility investments included in rate base will create significant benefits – both economic and environmental - to DEF ratepayers and all Florida residents over time.

Thus, while cost causation should be used as the guiding principle of rate design for EV charging, it should not be the sole consideration. DEF has demonstrated through its Pilot Programs that investments in EV infrastructure have long-term benefits greater than costs; the modest programs proposed in this Docket should be approved by the Commission.

¹ We note that both the residential EV Non-Time of Use (“Non-TOU”) credit program and the C&I rebate program proposed by DEF directly encourage off-peak charging.

² A good explanation of how electrification properly implemented benefits all customers can be found in Farnsworth, D., Shipley, J., Lazar, J., and Seidman, N. (2018, June). “Beneficial electrification: Ensuring electrification in the public interest.” Montpelier, VT: Regulatory Assistance Project.

<https://www.raonline.org/knowledge-center/beneficial-electrification-ensuring-electrification-public-interest/>

³ Frost, Jason, Whited, Melissa, and Allison, Avi. “Electric Vehicles Are Driving Electric Rates Down.” Synapse Energy Economics White Paper, February 2019.

Specific Programs

The first proposed DEF program described above is the credit for residential EV Non-Time of Use (“Non-TOU”) which encourages EV owners not otherwise on a TOU rate to charge in off-peak periods. We believe the proposed program is a particularly innovative way to encourage off-peak use for EV charging at the residences of EV owners, where over 80 percent of EV charging occurs. The alternative for EV owners wanting to take advantage of lower off-peak rates is to engage in a whole-house TOU rate. There may be valid reasons why this is not a good alternative for the EV owner. If rates are whole-house only, EV owners could be discouraged from having TOU rates if their overall non-EV use occurs during peak periods, or they may just be nervous about the impacts on their overall bills. The DEF proposal overcomes these concerns.

The second DEF proposed program provides rebates for third-party charging station development at C&I customer locations. This program will greatly increase the number of charging stations of all types and for all use cases within DEF’s service area. Encouraging additional charging infrastructure does matter. Numerous studies have shown that consumers steer clear of EVs because they worry about the lack of charging stations. Studies also show that consumers are more likely to buy an electric car when they see public charging stations on their daily routes. While fears about range anxiety are largely unfounded – even the cheapest EVs on the market today sport enough range to serve nearly all of a driver’s needs – the paucity of charging stations is a real concern on longer trips, and deters consumers from going all-electric. And charging stations are also needed along highways and in locations where they can meet commercial, fleet, and medium and heavy-duty EV needs, as these use cases will become a greater part of future infrastructure needs. The Commission can help ensure that infrastructure gets built by approving the modest DEF C&I third-party rebate program.

We note that rebates for C&I charging installations have been found to be an effective way to encourage the adoption and use of electric vehicles across the country. Many utilities are currently providing rebates for commercial public charging stations. These utilities and their states, based on a US DOE database, include the following:

- Arizona – Tucson Electric Power – includes low income areas
- California – rebates covering multiple use cases, including MUD and fleets
- Colorado – Black Hills
- Hawaii – Hawaii Energy administers program for commercial and MUD
- Idaho – Idaho Power
- Iowa - Alliant Energy
- Louisiana – Entergy and SWEPCo
- Maryland – All regulated utilities
- Massachusetts – Eversource and National Grid
- Michigan – Consumers Energy, DTE Energy and Indiana Michigan Power
- Mississippi – Entergy

- Missouri – Ameren
- Nebraska – OPPD and NPPD
- Nevada – NV Energy
- New Hampshire – NH Electric Coop
- New York – ConEdison and PSEG Long Island
- Ohio – AEP and First Energy (lease)
- Pennsylvania – Duquesne Light, First Energy, and PECO Energy
- Texas – Entergy, Austin Energy and SWEPCo
- Utah – Rocky Mountain Power
- Vermont – VT Electric Coop and Green Mountain Power
- Virginia – Dominion Energy
- Washington – Pacific Power
- Wisconsin – Madison G&E and Alliant (various programs)

As have these many states, we urge the Florida PSC to consider the value of rebate programs to encourage the adoption and use of EVs in Florida and approve DEF's proposed program.

Finally, DEF proposes to own and operate up to 100 DCFC charging stations in its service areas. There is first no question that additional DCFC stations are needed in Florida and DEF's service area. But there will be parties in this Docket who argue that utility ownership and operation of charging stations should be precluded or strongly restricted by the Commission. We believe that such a path, which would be a change in current Commission policy, would be wrongheaded and would slow down overall market development in TE. The Alliance believes that a "portfolio approach" is the best way for regulated utilities to proceed with respect to improving charging infrastructure to prepare for future demands from EV growth. The idea behind the portfolio approach is that the utility will not own and operate every segment of the market nor will it "crowd out" potential non-utility service providers. And in fact, the DEF proposed programs provide for such a portfolio approach by providing rebates for third-party owned stations in addition to the utility-owned stations. There is room for multiple models and forms of ownership as Florida needs to add a significant number of charging stations to meet future demands.

At this stage of market development, even the statement of a regulated utility having the ability to "crowd out" other players reflects a disregard for market-based realities, or a tendency by vendors and certain advocates to want to "lock in" certain business models, including proprietary systems. Yet the primary argument made by opponents of utility involvement is that competition and the development of a third-party charging market will be stifled by a dominant utility presence. The Alliance disagrees with that assessment of today's market where many market gaps exist and where a utility presence is necessary and constructive to catalyze further development.

The market for public charging stations, particularly Level 2, for some use cases is somewhat competitive, but not nearly to the point where the competitive market acting alone will install enough chargers to meet expected future demand. But DCFC is not yet a competitive market in Florida or elsewhere. And in either case, there are certainly some market segments, such as rural areas (including along highways), multi-family properties, and low and moderate-income disadvantaged communities, where there is little competitive activity and the short-term business case for a third party is very challenging.

In brief, the Alliance believes there are substantial gaps in the public EV charging market today that will not be filled solely by third-party EVSPs. Also, DC fast chargers – the only segment that DEF proposes to own and operate – is likely not economical at this nascent stage of market development and a competitive market is not likely to materialize in the near term that can or will serve all use cases. Utility infrastructure investment, including both third party rebates and ownership and operation, should not be dependent on the competitiveness of the market nor be limited to specific markets. Utilities can ably and effectively complement the private or non-utility market and ensure successful EVSP deployment throughout their service territories – both in the near- and long-terms.

In other words, the Commission need not worry that utility-owned and operated programs in TE, which is properly scoped and overseen by the Commission, will result in a zero-sum outcome. Regulated utilities necessarily take a long-term view of both planning and deploying infrastructure; in fact, they are required by the Commission to do so. Moreover, utilities generally enjoy adequate access to the capital markets on reasonable terms to ensure that these investments can be made cost-effectively over a longer tenure to catalyze the overall market. The results of Commission approval of the DEF programs should be complementary and benefit all ratepayers, third party service providers, vendors, and others in the EV ecosystem.

Respectfully submitted this 29th day of April 2021,

Philip B. Jones

Philip B. Jones, Executive Director
phil@evtransportationalliance.org
Alliance for Transportation Electrification
1402 Third Avenue, Ste. 1315
Seattle, WA 98101
206-335-5451