

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of electric vehicle charging pilot program, by Tampa Electric Company.

DOCKET NO. 20200220-EI
ORDER NO. PSC-2021-0144-PAA-EI
ISSUED: April 21, 2021

The following Commissioners participated in the disposition of this matter:

GARY F. CLARK, Chairman
ART GRAHAM
ANDREW GILES FAY
MIKE LA ROSA

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING PETITION FOR APPROVAL OF
ELECTRIC VEHICLE CHARGING PILOT PROGRAM
BY TAMPA ELECTRIC COMPANY

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

Background

On September 25, 2020, Tampa Electric Company (TECO or Utility) filed a petition requesting approval of an electric vehicle (EV) charging pilot program (Pilot). Under this Pilot, TECO will purchase, install, own, and maintain approximately 200 EV charging ports (Ports) within its service territory at commercial/industrial customer locations (Site Hosts).

In support of its petition, TECO claims the Pilot will increase customer confidence in the availability of public charging locations, thereby supporting EV adoption. It will also provide the Utility with valuable experience with public EV charging infrastructure development and EV charging load profile data. In addition, TECO stated the objectives of the Pilot are to support utility system planning, ensure grid reliability, develop TECO's competencies to serve the EV market, meet customer needs in identified key markets, and inform/develop TECO's long term strategy.

We have approved EV pilot programs for four electric utilities over the past twenty-five years.¹ Each of these programs was independently crafted by the applicant utility with its own

¹Order No. PSC-95-0853-FOF-EG, issued July 17, 1995, in Docket No. 950517-EG, *In re: Petition for Approval of New Experimental Electric Vehicle Tariff by Tampa Electric Company*; Order No. PSC-17-0178-S-EI, issued May

unique features. Also, Section 339.287, Florida Statutes (F.S.), enacted in last year's legislative session, recognizes the emerging importance of EV Ports and the important role of utilities in this effort.²

We have jurisdiction over this matter pursuant to Sections 366.03, 366.04, 366.05, and 366.06, F.S.

Decision

Within TECO's service territory, there are currently 340 non-utility owned Ports. Of these 340 Ports, 63 of them are Direct Current Fast Charging (DCFC) Ports. Non-utility owned Ports take service from TECO at the applicable retail rate. In addition to the non-utility owned Ports, TECO currently owns and operates 45 Ports, one of which is a DCFC Port. These TECO-owned Ports are not for public use and are unrelated to the proposed Pilot.

Overview of the Pilot

Under the Pilot, TECO will purchase, install, own, and maintain approximately 200 EV Ports within its service territory. Four of the Ports will be DCFC and the rest of the Ports will be Level 2.³ A limited number of Level 2 Ports will also be installed at each DCFC location to provide redundancy.⁴

As displayed in Table 1, two hundred Level 2 Ports will be deployed at customer locations across five different market segments: (1) workplaces, (2) public/retail, (3) multi-unit dwellings, (4) income qualified,⁵ and (5) government. TECO will partner with the Site Hosts to coordinate installation, operation, and maintenance of the Ports. The four DCFC Port locations will be carefully selected to help ensure 24/7 accessibility, proximity to local travel corridors frequently used by EV drivers, and the opportunity to serve multiple market segments.

16, 2017, in Docket No. 160170-EI, *In re: Petition for approval of 2016 depreciation and dismantlement studies, approval of proposed depreciation rates and annual dismantlement accruals and Plant Smith Units 1 and 2 regulatory asset amortization, by Gulf Power Company*; Order No. PSC-2017-0451-AS-EU, issued November 20, 2019, in Docket No. 20170183-EI, *In re: Application for limited proceeding to approve 2017 second revised and restated settlement agreement, including certain rate adjustments, by Duke Energy Florida, LLC*; and Order No. PSC-2020-0512-TRF-EI, issued December 21, 2020, in Docket No. 20200170-EI, *In re: Petition for approval of optional electric vehicle public charging pilot tariffs, by Florida Power & Light Company*.

²Section 339.287, F.S., requires the Florida Department of Transportation to coordinate, develop, and recommend a Master Plan for the development of electric vehicle charging station infrastructure along the State Highway System in consultation with the Florida Department of Environmental Protection, the Florida Public Service Commission, and other state agencies.

³Level 2 Ports operate at 208 or 240 volts (V) alternating current (AC), and DCFC Ports typically require a 208/480 V AC three phase connection.

⁴TECO intends to install two Level 2 Ports at each of the four DCFC locations.

⁵Income qualified communities are defined per Section 288.9913(3), F.S.

Table 0
Level 2 Ports by Market Segment

Market Segment	Ports
Workplace	70
Public/Retail	70
Multi-unit Dwelling	20
Income Qualified	20
Government	20

TECO will bill the Site Host for electricity consumed by the Ports at the appropriate tariff rate. Site Hosts will then have the option of two different price structures for billing EV drivers. The first option is providing no-cost access to the Ports. The second option is a per kilowatt-hour (kWh) fee equal to TECO's General Service rate. For the second option, Site Hosts may include any network or transaction fees, as well as any applicable taxes. TECO shall require Site Hosts to clearly identify all fees that will be incurred by EV drivers using the Ports.

The length of the Pilot is four years, commencing April 1, 2021, and terminating four years from the date the final order is issued approving the Pilot, unless TECO files a petition to extend, modify, or permanently implement the Pilot through a tariff revision. During the third year of the Pilot, TECO will provide this Commission a final report of all data collected and document the appropriateness to either extend the Pilot, make charging a permanent tariff, or terminate the Pilot.

In the event the Pilot is terminated, Site Hosts will have the opportunity to acquire all the Ports at their site for \$1. All ongoing costs for the Ports will then become the responsibility of the Site Host. However, if the Site Host does not wish to acquire the Ports or for any other reason no longer wishes to continue participating in the Pilot, TECO will work with the Site Host, adjacent businesses, property managers, or any other party in an effort to keep the Ports installed. If the Ports still required removal, TECO will work with the Site Host to return the site to its original condition, at no cost to the Site Host.⁶

Pilot Objectives

TECO lists five goals of the Pilot: (1) support utility system planning, (2) ensure grid reliability, (3) develop TECO's competencies to serve the EV market, (4) meet customer needs in identified key markets, and (5) inform/develop TECO's long-term strategy. Additionally, the Pilot supports state and local initiatives to prepare for an electrified transportation sector, and will provide TECO with a better understanding of EV interaction with the local grid through the collection of Port and utility electric meter data.

TECO believes that the Pilot will achieve TECO's proposed goal of supporting utility system planning by collecting a variety of data points. These data points, along with any additional data made available based on capabilities of the hardware and software to be installed, will help the Utility better understand impacts from EV charging on the grid. TECO will

⁶Document No. 02497-2021, filed March 1, 2021, p. 1.

evaluate these impacts at various levels, including at the meter and transformer. Modeling actual data collected in a way that reflects increased utilization of charging infrastructure due to widespread EV adoption will allow the Utility to understand any potential system planning impacts.

TECO expects that EVs will continue to increase in market share for the foreseeable future. For this reason, TECO asserts that it is crucial to understand what impacts at scale EVs will have on the local grid. The compilation of the data expected to be collected through the Pilot will help TECO in grid reliability planning and developing its long-term strategy.

The Pilot is expected to develop TECO's competencies to serve the EV market in three ways. First, TECO's competencies will be developed through its direct involvement in the design, permitting, construction, and maintenance of the Ports. Second, the deployment costs, Port data collection, and maintenance logs will provide information on unknown gaps where additional focus is warranted. Last, a first-hand understanding of how EV drivers interact with the local grid will assist with planning for maintaining grid reliability.

The Utility also expects the Pilot will serve to meet customer needs in identified key markets. TECO anticipates that each market segment identified within the Pilot will have unique challenges and opportunities in how the EV market is served. The Utility believes that by deploying Ports within each of the identified market segments, customers will be exposed to opportunities for installing additional charging stations through visibility of the Ports installed, word of mouth, or direct interaction with TECO representatives regarding the Pilot.

Pilot Costs

The Utility will pay up to \$5,000 per Level 2 Port towards the cost of installation for workplaces, public/retail, and multi-unit dwellings, and the full cost of installation for income qualified sites and government locations. While TECO is only partially covering the installation cost for workplaces, public/retail, and multi-unit dwellings, TECO will still retain ownership of the Ports. Due to the limited number of DCFC Ports, along with the expected variability of DCFC installation costs, TECO expects to cover the full cost for DCFC locations.

The estimated capital cost for the Pilot is \$2 million. The total capital costs broken out by market segment can be seen in Table 2, including program management and contingency costs. This equates to an estimated total cost per port of \$7,143 for workplace and public/retail sites, \$7,500 for multi-unit dwelling sites, \$13,750 for each income qualified site and government location, and \$75,000 for each DCFC site.

For the sites where TECO is contributing a maximum of \$5,000, the estimated Utility contribution to installation costs are 70 percent of the total costs. The remaining 30 percent of the total cost was budgeted for program management and contingency costs. However, TECO was unable to provide the estimated Utility contribution to installation costs for the income qualified, government, or DCFC sites.⁷ Assuming TECO budgeted 70 percent of the total cost

⁷Document No. 13630-2020, filed December 18, 2020, p. 31.

for installation for these sites as well, this equates to an estimated Utility installation cost per port of \$9,625 for both income qualified and government sites, and \$52,500 for each DCFC site. Since TECO is unable to provide a more accurate estimate of Utility contribution for installation costs at this time, capital expenditures are capped at \$2 million for the life of the program.

Table 2
Estimated Pilot Costs

Market Segment	Ports	Total Cost	Total Pilot Cost/Port	Estimated Utility Installation Cost	Estimated Utility Installation Cost/Port
Workplace	70	\$500,000	\$7,143	\$350,000	\$5,000
Public/Retail	70	\$500,000	\$7,143	\$350,000	\$5,000
Multi-unit Dwelling	20	\$150,000	\$7,500	\$100,000	\$5,000
Income Qualified	20	\$275,000	\$13,750	\$192,500*	\$9,625
Government	20	\$275,000	\$13,750	\$192,500*	\$9,625
DCFC**	4	\$300,000	\$75,000	\$210,000*	\$52,500

* Installation costs are assumed to be 70 percent of the total costs.

** The cost per port for DCFC sites includes the supplemental Level 2 Ports.

After year one of the Pilot, operation & maintenance (O&M) costs are estimated at \$100,000 annually. TECO estimated O&M costs as 5 percent of the total capital cost. Final costs will be determined through a combination of future vendor request for proposals and required host site evaluations to determine installation requirements. For this reason, O&M costs are limited to \$100,000 annually for years two through four of the Pilot.

Accounting Treatment

The capital investment, along with administration and O&M costs associated with the Pilot, will be recorded above-the-line, and cost recovery may be sought through base rates. As stated above, if we terminate the Pilot, Site Hosts will be given the option to purchase the Ports installed at their sites for a nominal fee of \$1. Under this scenario, the losses generated by selling the Ports below the unrecovered net book value would also be recorded above-the-line in Account 421.2 Loss on Disposition of Property. Under this scenario, any resulting net losses would be recovered through base rates from the general body of customers. This buyout option provides certainty and transparency of future potential costs to prospective Site Hosts and is crucial to encourage participation in the EV Pilot. The proposed buyout option will also help to avoid potential removal costs and ensure that the Ports remain available to drivers in furtherance of Section 339.287, F.S. TECO has estimated total program costs, absent any offsetting incremental revenue attributable to the Pilot or consideration of the recovery of any potential losses from the sale of the Ports at the end of the program, would equate to approximately \$0.03 per 1,000 kWh residential bill.

Reporting Requirements

TECO shall file annual reports, with the first report due 12 months from the date the final order is issued approving the Pilot. The annual reports shall provide comprehensive data for

each market segment, including but not limited to the number of charging sessions, time of use, charger utilization by geographic location, costs to EV drivers, installation costs, load profiles, ongoing O&M expense, and Site Host or driver feedback.

Conclusion

Based on the above, we approve TECO's proposed EV Pilot effective April 1, 2021. Capital expenditures are capped at \$2 million for the life of the program, and O&M costs are limited to \$100,000 annually for years two through four of the Pilot. TECO shall file annual reports, with the first report due 12 months from the date the final order is issued approving the Pilot. The annual reports shall provide comprehensive data for each market segment, including but not limited to the number of charging sessions, time of use, charger utilization by geographic location, costs to EV drivers, installation costs, load profiles, ongoing O&M expense, and Site Host or driver feedback. The Pilot will terminate four years from the date the final order is issued approving the Pilot, unless TECO files a petition to extend, modify, or permanently implement the Pilot through a tariff revision.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Tampa Electric Company's petition for approval of electric vehicle charging pilot program is approved, effective April 1, 2021. It is further

ORDERED that capital expenditures are capped at \$2 million for the life of the program, and O&M costs are limited to \$100,000 annually for years two through four of the Pilot. It is further

ORDERED that Tampa Electric Company shall file annual reports, with the first report due 12 months from the date the final order is issued approving the Pilot. The annual reports shall provide comprehensive data for each market segment, including but not limited to the number of charging sessions, time of use, charger utilization by geographic location, costs to EV drivers, installation costs, load profiles, ongoing O&M expense, and Site Host or driver feedback. It is further

ORDERED that the Pilot will terminate four years from the date the final order is issued approving the Pilot, unless TECO files a petition to extend, modify, or permanently implement the Pilot through a tariff revision. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 21st day of April, 2021.



ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

SPS

DISSENT

Chairman Gary F. Clark dissents from the Commission's decision.

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on May 12, 2021.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

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Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.