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STATE OF FLORIDA

PUBLIC SERVICE COMMISSION

Florida Power & Light Company's Petition for Approval of Optional Electric Vehicle Public Charging Pilot Tariff	**Docket No. 20200170-EI** **Filed November 30, 2020**

WRITTEN COMMENTS OF TESLA, INC.

Tesla, Inc. ("Tesla") hereby submits comments to the Public Service Commission ("Commission") in Docket No. 20200170-EI, Florida Power & Light Company's ("FPL") Petition for Approval of Optional Electric Vehicle Public Charging Pilot Tariff. Tesla appreciates the opportunity to provide written comments and respectfully submits two modifications to Staff's recommendation.

I. Recommendation: Implement an annual reporting and review process in case program modifications are appropriate.

It is crucially important for Florida to develop competitively neutral programs and policies during the EV industry's nascent stage to protect against unintended consequences that could thwart growth. The industry is quickly evolving and innovating, and things in the EV industry may look very different at the end of the five-year pilot. Therefore, we appreciate and support Staff's recommendation for an annual reporting requirement.[1] The information and data reporting recommended by Staff are appropriate and will provide valuable insights about the program, and its impacts on EV drivers, ratepayers, and third-party charging operators.

[1] Staff's Recommendation in Case No. 20200170-EI, filed November 20, 2030, at p.7.

While Staff's recommendation includes the Commission's ability to modify, extend, or terminate the tariff, we recommend that a formal comment process for stakeholders coincide with the annual reports. Doing so would provide stakeholders with the ability to offer further recommendations for modifications to improve FPL's program in order to maximize benefits to ratepayers and EV drivers. Such modifications could include moving to cost-of-service based rates once enough data is collected or modifying the GSD-1EV and GSLD-1EV pilot tariffs to increase the demand limiter if utilization doesn't materialize.

II. Recommendation: Increase the demand limiter for GSD-1EV and GSLD-1EV to 150 hours.

Third-party charging companies, including Tesla, have requested an increase in the demand limiter up from 75-hours, and Tesla's written comments submitted June 23, 2020 recommended a demand limiter of 150-hours. A 150-hr demand limiter is in the best interest of a robust competitive market and given the figures presented by FPL, would also be in the best interest of ratepayers long-term. The 75-hr demand limiter is insufficient to create a fair and even playing field, especially if the supply of charging stations increases without a proportional increase of EVs on the road, which would further pressure utilization rates of charging stations.

Staff's analysis of the GSD-1EV and GSLD-1EV tariffs that include a 75-hour demand limiter could have an impact on the general body of ratepayers. FPL estimated the annual lost revenues to be approximately $157,000. From Staff's conclusion, "While the discount on the demand charges could cause a potential impact on the general body of ratepayers, staff believes the impact would be minor. Additionally, the proposed pilot tariffs could facilitate the growth of the EV infrastructure in Florida and additional revenues could mitigate any adverse impact on the general body of ratepayers."[2] While there is potential for additional lost revenues with a 150 hour demand limiter, the impact is relatively minor and are significantly smaller when compared to FPL's $30 million budget for utility-owned chargers. The potential risk to ratepayers represented by the current 75-hr demand limiter for third-party charging represents 0.5% of FPL's EVolution budget ($157,000/$30,000,000 = .005).

An increase of the demand limiter will encourage more private market investment in FPL's territory and if a single incremental station is built as a result of a 150-hr demand limiter, it could potentially save ratepayers money since that investment will have been made by the private market rather than FPL with rate recovery sought in the next rate case. With the current 75-hr demand limiter and using the $80,000 figure per Direct Current Fast Charger (DCFC), if two additional fast chargers are built by the private market instead of FPL there is a benefit to ratepayers since the private market would have removed $160,000 from the $30 million budget while only incurring an estimated $157,000 in the lost revenues which will also be recovered from ratepayers.

As an example, if an increase to a 150-hr demand limiter were to represent lost revenues of $320,000 ($320,000/$30,000,000 = 1.07%) a single incremental charging station with at least four DCFCs (4 x $80,000 = $320,000) built by the private market could represent a benefit to ratepayers since all operational costs would then be borne by the private company and not sought in rate recovery. Even in this scenario the budget allocated to FPL's lost revenues in support of the third-party charging market would represent 1% of the $30 million budget in FPL's EVolution program.

[2] Staff's Recommendation in Case No. 20200170-EI, filed November 20, 2030, at p.10.

III. Conclusion

Florida is one of the largest and most important EV markets in the United States. Reducing barriers to EV charging investments will be imperative to sustaining growth of EVs in Florida, and to do so in a cost effective and efficient manner. It is important to have appropriate structures and programs in place to rapidly advance transportation electrification while simultaneously incorporating flexibility to allow for modifications as the industry grows and evolves to ensure the programs are in the best interest of ratepayers long-term. We appreciate the Commission's thoughtful consideration of our concerns for an even playing field in FPL's territory for third-party charging providers.

Respectfully submitted,

TESLA, INC.

By: *___/s/ Bill Ehrlich_______*

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