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July 9, 2025

Via Electronic Filing

Adam J. Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 20250011-EI - Petition for Rate Increase by Florida Power & Light Company.


Dear Mr. Teitzman:

Attached for filing on behalf of Florida Energy for Innovation Association, Inc. ("FEIA") is the Rebuttal Testimony of David Loomis. Service of the foregoing is being made on the parties in accordance with the attached Certificate of Service.

Should you have any questions regarding this submission, please do not hesitate to contact me. Thank you for your consideration.

Sincerely,

HOLLAND & KNIGHT LLP



D. Bruce May

DBM:kjg

Encls.

cc: Counsel for parties shown on the attached Certificate of Service

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by e-mail this 9th day of July, 2025 the following:

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By: /s/D. Bruce May, Jr.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by
Florida Power & Light Company.

Docket No.: 20250011-EI

Filed: July 9, 2025

REBUTTAL TESTIMONY

OF

DAVID LOOMIS

on behalf of

Florida Energy for Innovation Association, Inc.

FLORIDA ENERGY FOR INNOVATION, INC.

REBUTTAL TESTIMONY

OF

DAVID LOOMIS

Docket No. 20250011-EI

Q. PLEASE STATE YOUR NAME, EMPLOYER, TITLE, AND THE ORGANIZATION YOU REPRESENT.

A. My name is David Loomis. I am Professor Emeritus of Economics at Illinois State University, former Executive Director of the Institute for Regulatory Policy Studies, and President of Strategic Economic Research, LLC. I am testifying on behalf of the Florida Energy for Innovation Association (“FEIA”).

Q. ARE YOU THE SAME DAVID LOOMIS WHO FILED DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes.

Q. HAVE YOUR TITLE, DUTIES OR RESPONSIBILITIES CHANGED SINCE FEIA FILED YOUR DIRECT TESTIMONY ON JUNE 9, 2025?

A. No.

Q. WHAT ARE THE PURPOSES OF YOUR REBUTTAL TESTIMONY?

A. My rebuttal testimony responds to the direct testimony of Jeff Pollock, filed on behalf of the Florida Industrial Power Users Group (“FIPUG”), to explain why the

Commission should decline any suggestion to address the Large Load Contract Service (“LLCS”) Tariff proposed by Florida Power & Light Company (“FPL”) in some future rulemaking proceeding or some later limited proceeding in 2027.

Q. WHAT ARE YOUR GENERAL OBSERVATIONS REGARDING FIPUG WITNESS POLLOCK’S DIRECT TESTIMONY?

A. Mr. Pollock provides a thoughtful analysis of FPL’s proposed LLCS Tariff and recognizes that the tariff is structured in a way that imposes unfair prices and more stringent terms and conditions on LLCS customers versus other commercial and industrial customers. Mr. Pollock also appears to suggest that the Commission defer consideration of FPL’s proposed LLCS Tariff until some future rulemaking proceeding, and then reassess the LLCS Tariff at a future limited proceeding in 2027.

Q. DO YOU AGREE WITH MR. POLLOCK’S TESTIMONY?

A. I agree in concept with much of his testimony. Mr. Pollock points out that the proposed LLCS Tariff has deficiencies and imposes inequities on large load customers. Notably, he does not advocate rejection of the tariff; rather, he offers several ways to improve the LLCS Tariff and its contractual requirements. In that respect, Mr. Pollock’s testimony is similar to my direct testimony in which I support a revised LLCS Tariff that serves the needs of consistent, high-load-factor users while protecting the interests of the general body of rate payers.

However, I do not agree with the suggestion that the Commission defer

1 consideration of FPL’s proposed LLCS Tariff in this rate case and instead “consider
2 a rulemaking proceeding to establish standardized policies and practices that should
3 apply to new very large load customers served by all Florida utilities.”
4

5 Deferring FPL’s proposed LLCS Tariff to a future rulemaking will substantially
6 delay a final decision of the LLCS rates and service conditions for several years if
7 not longer. This extended period of uncertainty is likely to arrest the development
8 of data centers in the state and defeat the purpose of Florida’s policy to facilitate
9 the growth of this technology market.
10

11 I also disagree with the suggestion that if the Commission approves an LLCS Tariff
12 in this rate case, it should “require FPL to file a limited proceeding in 2027 with
13 updated Minimum Filing Requirements”. Such a future limited proceeding is
14 unnecessary, would add additional cost, and would inject great uncertainty for large
15 load customers, thus thwarting development of data centers within FPL’s territory.
16

17 **Q. PLEASE ELABORATE ON WHY YOU DISAGREE WITH PORTIONS OF**
18 **MR. POLLOCK’S TESTIMONY.**

19 **A.** Mr. Pollock’s suggestion that the Commission initiate “a rulemaking proceeding to
20 establish standardized policies and practices” for data center customers of all
21 Florida utilities misapplies the Commission’s regulatory role as an arm of the
22 Legislature. The Commission’s role is to implement the policies of the Florida
23 Legislature—not to “establish data center policy.” The Florida Legislature and the
24 Governor have made it clear that major investment in large data centers is to be

1 encouraged, not delayed by regulatory uncertainty surrounding some future
2 rulemaking proceedings. This policy is most recently illustrated by the Florida
3 legislature’s passage of tax bill HB 7031, extending a sales tax exemption for large
4 data centers for another 10 years. Governor DeSantis signed that bill into law on
5 June 30, 2025. The Commission has all of the tools necessary to implement the
6 will of the legislature in this rate case.

7
8 Furthermore, Mr. Pollock’s suggestion that the Commission use rulemaking to
9 establish “standardized policies” for data centers “in lieu of vetting the LLCS rate
10 schedules” in this rate case implies a one-size-fits-all approach that does not work
11 for electric utility cost-of-service ratemaking. Cost-of-service ratemaking
12 recognizes that different utilities will have different costs based on their own
13 operations, infrastructure, unique service territories, customer base, and
14 demographics (residential density, industrial load, etc.). Rulemaking, on the other
15 hand, is designed to develop policies of general applicability—policies that govern
16 utility behavior across multiple service territories or affect broad classes of
17 customers across the spectrum. The LLCS Tariff is neither. It is a utility-specific
18 rate designed to apply only to new specific large-load customers served by FPL. It
19 does not, and should not, establish any precedent for other utilities. FPL’s proposed
20 LLCS Tariff, like other large-load rates, is customized to FPL and contingent on its
21 own costs and system capabilities. Recognizing the utility-specific nature of the
22 LLCS rates, there is no legal or policy basis for applying a one-size-fits-all
23 rulemaking framework to FPL’s proposed LLCS Tariff.

1 Finally, and most importantly, deferring consideration of FPL’s LLCS Tariff to a
2 future rulemaking or a “spin-off” limited proceeding will substantially delay a final
3 decision of the LLCS rates and service conditions for several years if not far longer.
4 This prolonged period of regulatory uncertainty will stifle the development of data
5 centers in the state.

6
7 **Q. WHY IS TIMING SO CRITICAL TO LLCS IMPLEMENTATION?**

8 **A.** Developing large load data centers within FPL’s territory requires: entering into
9 long-term, multi-billion-dollar electricity service agreements; upfront funding of
10 substantial Contribution in Aid of Construction (“CIAC”) obligations; posting
11 performance security; and ordering hundreds of millions of dollars of long-lead
12 team capital equipment—all within FPL’s stringent timelines.

13
14 Until clear and stable tariff terms are established, hyperscale customers, including
15 data centers, AI developers, and advanced computer operators cannot proceed with
16 these necessary development steps. Further, the data center and AI sectors are
17 undergoing rapid growth, creating industry-wide urgency to secure long-term,
18 large-scale capital and commercial commitments in the states and communities
19 where they operate. This heightens the risk that delays from rulemaking or future
20 limited proceedings could drive these transformative economic opportunities to
21 other states or jurisdictions in this highly competitive industry.

1 **Q. WOULD LARGE LOAD CUSTOMERS BE WILLING TO ENTER INTO**
2 **LLCS CONTRACTS UNDER THESE CONDITIONS?**

3 **A.** No. Any signal of an extended period of regulatory uncertainty, such as rulemaking
4 or re-litigation, would prevent these large load customers from moving forward in
5 FPL’s service territory and drive them to other jurisdictions and states.

6
7 **Q. WHAT ARE THE ECONOMIC CONSEQUENCES OF DELAY?**

8 **A.** FPL has confirmed that it can serve up to 3,000 MW of load under LLCS-1. As
9 highlighted in FEIA Witness Fletcher Mangum’s Direct Testimony, this represents
10 an enormous economic opportunity for the state and its communities,
11 encompassing billions in capital investment, thousands of indirect jobs, and
12 significant growth in the tax base.

13
14 **Q. DO OTHER STATES USE RULEMAKING TO APPROVE LARGE-LOAD**
15 **RATES?**

16 **A.** Not to my knowledge. Other jurisdictions who have been successful in attracting
17 data center development, including Texas, Virginia, Georgia, and South Carolina,
18 have implemented large-load tariffs through individual dockets or utility-specific
19 filings. For example:

- 20 • Dominion Energy Virginia received approval for large-load data center rates
21 through targeted petitions before the State Corporation Commission—not
22 rulemaking.
- 23 • Georgia Power implemented its real-time pricing and data center development
24 tariffs through Georgia Public Service Commission dockets.

- Santee Cooper, a public power and water utility in South Carolina, adopted its economic development rates for 50+ MW customers directly by its board.

Q. CAN THE COMMISSION ADDRESS LLCS DESIGN CONCERNS WITHIN THIS DOCKET?

A. Yes. This docket provides the Commission with full authority to review, amend, and finalize the LLCS Tariff. The Commission may set eligibility thresholds, adjust pricing structures, and impose reporting requirements. There is no statutory or procedural necessity to delay this decision by rulemaking or opening a limited proceeding in 2027.

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes.