

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Committee on Regulated Industries

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BILL: SB 920

INTRODUCER: Senator Perry

SUBJECT: Electric Vehicle Transportation Electrification Plan

DATE: January 14, 2022

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Sharon	Imhof	RI	<b>Pre-meeting</b>
2.			TR	
3.			RC	

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**I. Summary:**

SB 920 creates s. 366.945, F.S., relating to an electric vehicle (EV) transportation electrification plan. The bill directs the Public Service Commission (PSC) to adopt rules for the plan, to facilitate the deployment of EV charging infrastructure in a competitively neutral manner, including reasonable and affordable electric rates for investor-owned electric utilities that offer EV charging to the public. The rules must address:

- Investment in publicly available Level 2 and direct-current fast-charging (DCFC) chargers that are competitively neutral, prioritizing and encouraging private investment and private ownership and operation of EV charging infrastructure;
- Policies that stimulate innovation, competition, private investment, and customer choice in EV infrastructure charging equipment and networks;
- Mechanisms, including incentives, supporting efficient and cost-effective use of the electric grid, in a manner that supports EV charging infrastructure;
- Incentives supporting private investment in charging equipment;
- Policies prohibiting IOUs from using rate base investment in the ownership and operation of EV charging stations and limit public utility cost recovery to distribution-level system infrastructure on the utility side of the meter; and
- Stimulation of fair and reasonable electricity pricing through IOU tariff provisions to promote widespread offering of EV charging.

The bill requires the PSC to propose rules by January 1, 2023, with final rule adoption by January 1, 2024.

The bill allows any entity providing EV charging stations to the public to intervene in any PSC proceeding involving IOU rates, terms, or conditions.

Under the bill, IOUs may provide EV charging stations directly to the public through a separate, unregulated entity on the same terms and conditions as other EV charging station providers. The bill provides for the removal of EV charging assets from an IOU's rate base, if the IOU directly provides EV charging stations to the public in a manner that violates the bill or violates PSC rules adopted under the bill within one year of rule adoption. Any EV charging station infrastructure provided as a rate base asset must be removed from the rate base or provided through a separate unregulated corporate affiliate.

The bill is effective July 1, 2022.

## II. Present Situation:

Electric vehicles<sup>1</sup> offer a readily available and cleaner fuel source, with higher fuel efficiency and improved air quality compared to vehicles with internal combustion engines.<sup>2</sup> Increased interest in EVs is driven by higher gas prices and greenhouse gas emission concerns.<sup>3</sup> However, limited EV range, limited charging infrastructure, and range anxiety<sup>4</sup> have deterred many drivers considering electrification.<sup>5</sup> As advancements in EV technology continue, EV manufacturing increases, and EV prices become more accessible, representatives in both government and the private sector suggest that successful adoption of EV use is heavily dependent on the accessibility of charging stations.<sup>6</sup> Many see chargers as the proverbial chicken to the EV egg.<sup>7</sup>

### Types of EVs

The U.S. Department of Energy's Alternative Fuels Data Center (AFDC) uses the term, "electric-drive vehicles," to collectively refer to hybrid electric vehicles (HEV), plug-in hybrid electric vehicles (PHEV), and all-electric vehicles (EV).<sup>8</sup> According to the AFDC:

- HEVs are primarily powered by an internal combustion engine that runs on conventional or alternative fuel and an electric motor using energy stored in a battery. The battery is charged through regenerative braking and the internal combustion engine, not by plugging in to charge.
- PHEVs are powered by an internal combustion engine and an electric motor using energy stored in a battery. They can operate in all-electric mode through a larger battery, which can

<sup>1</sup> Section 320.01(36), F.S., defines an "electric vehicle" as "a motor vehicle that is powered by an electric motor that draws current from rechargeable storage batteries, fuel cells, or other sources of electrical current."

<sup>2</sup> Federal Highway Administration, *FHWA NHTS Brief, Electric Vehicle Feasibility*, July 2016, p. 1, available at <http://nhts.ornl.gov/briefs/EVFeasibility20160701.pdf> (last visited Jan. 13, 2022).

<sup>3</sup> *Id.*

<sup>4</sup> Range anxiety is the feeling an EV driver has when the battery charge is low, and the usual sources of electricity are unavailable, striking a fear of being stranded. J.D. Power, *What is Range Anxiety with Electric Vehicles?*, <https://www.jdpower.com/cars/shopping-guides/what-is-range-anxiety-with-electric-vehicles> (last visited Jan. 13, 2022).

<sup>5</sup> FHWA, *Electric Vehicle Feasibility Brief*, *supra* n. 2, pp. 1-2.

<sup>6</sup> *Id.*

<sup>7</sup> See Charged Electric Vehicle Magazine, *European Union official says chargers are the chicken for the EV egg*, Feb. 6, 2013, <https://chargedevs.com/newswire/european-union-official-says-chargers-are-chicken-ev-egg/> (last visited Jan. 13, 2022); Environmental Defense Fund, *The chicken and the egg of electric vehicle charging*, Apr. 11, 2019, <https://medium.com/the-fourth-wave/the-chicken-and-the-egg-of-electric-vehicle-charging-6a3fd27cfa2d> (last visited Jan. 13, 2022).

<sup>8</sup> U.S. Dept. Energy, AFDC, *Hybrid and Plug-In Electric Vehicles*, <https://afdc.energy.gov/vehicles/electric.html> (last visited Jan. 13, 2022).

be plugged in to an electric power source to charge. Most can travel between 20 and 40 miles on electricity alone, and then will operate solely on gasoline, similar to a conventional hybrid.

- EVs use a battery to store the electric energy that is charged by plugging the vehicle into charging equipment. EVs always operate in all-electric mode and have typical driving ranges from 150 to 300 miles.<sup>9</sup>

### **EV Charging Equipment**

EVs are becoming increasingly popular in the United States, prompting a focus on the installation of electric vehicle charging infrastructure. Electric vehicle charging stations have EV supply equipment (EVSE) capable of charging an electric vehicle's battery.<sup>10</sup> Charging stations site hosts may provide such stations free of charge or collect revenue for electric vehicle charging through subscription, pay-per-charge, or pay-for-parking systems.<sup>11</sup>

EV charging equipment is classified based on the rate of charge.<sup>12</sup> Charging times vary, depending on the depletion level of the battery, how much energy the battery holds, the type of battery, and the type of supply equipment.<sup>13</sup> Charging times can range from less than 20 minutes to more than 20 hours.<sup>14</sup> Potential driving distance ranges from:

- Two to five miles of range per one hour of charging for Level 1 supply equipment;
- Ten to twenty miles per one hour of charging for Level 2 supply equipment; and
- Sixty to eighty miles per twenty minutes of charging for DCFC supply equipment.<sup>15</sup>

According to the AFDC, for most drivers, charging occurs overnight at home, using Level 1 or AC Level 2 charging equipment.<sup>16</sup>

### **Level 1 Charging**

Level 1, typically at-home charging, through a power cord which comes as standard equipment on new EVs, only requires a standard 120-volt outlet, so no additional equipment is required.<sup>17</sup> This can add about 40 miles of range in an eight hour overnight charge for a mid-size EV.<sup>18</sup> Typically, Level 1 charging is used when only a 120 volt-outlet is available, but can easily be enough to supply a typical driver's needs.<sup>19</sup> As of 2020, fewer than 5% of public EV charging ports in the United States were Level 1.<sup>20</sup>

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<sup>9</sup> *Id.*

<sup>10</sup> See U.S. Dept. Energy, *Plug-In Electric Vehicle Handbook for Public Charging Station Hosts* (April 2012), available at <https://www.afdc.energy.gov/pdfs/51227.pdf> (last visited Jan. 13, 2022).

<sup>11</sup> *Id.* at p. 9.

<sup>12</sup> U.S. Dept. Energy, AFDC, *Developing Infrastructure to Charge Plug-In Electric Vehicles*, [https://afdc.energy.gov/fuels/electricity\\_infrastructure.html](https://afdc.energy.gov/fuels/electricity_infrastructure.html) (last visited Jan. 13, 2022).

<sup>13</sup> *Id.*

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> U.S. Dept. Energy, AFDC, *Charging Plug-In Electric Vehicles at Home*, [https://afdc.energy.gov/fuels/electricity\\_charging\\_home.html](https://afdc.energy.gov/fuels/electricity_charging_home.html) (last visited Jan 13, 2022).

<sup>17</sup> AFDC, *Developing Infrastructure to Charge Plug-In Electric Vehicles*, *supra* n. 12.

<sup>18</sup> *Id.*

<sup>19</sup> *Id.*

<sup>20</sup> *Id.*

### ***Level 2 Charging***

Level 2, typically home and public charging, commonly requires a charging unit on a 240-volt circuit, such as one used for home appliances like a clothes dryer.<sup>21</sup> The charging rate depends on the rate at which a vehicle can accept a charge and the maximum current available.<sup>22</sup> This method may require purchasing an at-home charging unit and modifications to a home electric system, but charges from two to eight times faster than a Level 1.<sup>23</sup> These chargers are most common at public charging places like offices, grocery stores, and parking garages.<sup>24</sup> As of January 2022, nearly 80% of all public EVSE ports in the United States were Level 2.<sup>25</sup>

### ***Direct Charge Fast Chargers***

DCFC, typically public charging, allows for rapid charging along heavy traffic corridors.<sup>26</sup> DCFCs are best used for longer travel distances; vehicles heavily used throughout the day like taxis, and for drivers with limited access to at-home charging, such as multi-unit renters.<sup>27</sup> As of January 2020, over 18% of all public EVSE ports in the United States were DCFC.<sup>28</sup> There are three types of DCFC systems, depending on the type of charge port on the vehicle:

- SAE Combined Charging System, allowing a driver to use the same charge port when charging with Level 1, Level 2, or DCFC.
- The CHAdeMO connector, which is the most common.
- Tesla, which is a unique, proprietary connector that works for all Tesla charging levels, including their fast charging option, called Supercharge. Tesla does not have a CHAdeMO port, but Tesla sells an adapter.<sup>29</sup>

### **EV Charging in Florida**

Since the current regulatory structure of electric utilities in Florida includes exclusive service territories, the sale of electricity to retail, or end-use customers by a third party is not permitted.<sup>30</sup> In 2012 the Florida Legislature created an exemption for electric vehicle charging, under s. 366.94(4), F.S., declaring that the provision of electric vehicle charging to the public by a non-utility is not considered a retail sale of electricity under ch. 366, F.S. The rates, terms, and conditions of EV charging by a non-utility are not subject to PSC regulation.<sup>31</sup> As a result, the installation and provision of electric vehicle charging by a non-utility is not subject to regulation by the PSC.

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<sup>21</sup> *Id.*

<sup>22</sup> Union of Concerned Scientists, *Electric Vehicle Charging, Types, Time, Cost and Savings*, (March 2018) available at <https://www.ucsusa.org/resources/electric-vehicle-charging-types-time-cost-and-savings> (last visited Jan. 14, 2022).

<sup>23</sup> *Id.*

<sup>24</sup> *Id.*

<sup>25</sup> See U.S. Dept. of Energy, *Alternative Fueling Station Counts by State*, [https://www.afdc.energy.gov/fuels/stations\\_counts.html](https://www.afdc.energy.gov/fuels/stations_counts.html) (last visited Jan. 13, 2022).

<sup>26</sup> AFDC, *Developing Infrastructure to Charge Plug-In Electric Vehicles*, *supra* n. 12.

<sup>27</sup> Union of Concerned Scientists, *Electric Vehicle Charging, Types, Time, Cost and Savings*, <https://www.ucsusa.org/resources/electric-vehicle-charging-types-time-cost-and-savings> (last visited Jan. 14, 2022).

<sup>28</sup> See U.S. Dept. Energy, *Alternative Fueling Station Counts by State*, *supra* n.25.

<sup>29</sup> AFDC, *Developing Infrastructure to Charge Plug-In Electric Vehicles*, *supra* n. 12.

<sup>30</sup> FDOT, *EV Infrastructure Master Plan* (July 2021), p. 16, <https://fdotwww.blob.core.windows.net/sitefinity/docs/default-source/planning/fto/fdotevmp.pdf> (last visited Jan. 13, 2022).

<sup>31</sup> Section 366.94(1), F.S.

Section 377.815, F.S., authorizes, but does not require, the Florida Department of Agriculture and Consumer Services (DACS) to post information on its website relating to alternative fueling stations, including EV charging, available for public use in this state. The DACS's website contains addresses by city and county on EV charging station locations in Florida, reflecting 933 charging station locations by specific address.<sup>32</sup>

The U.S. Department of Energy reflects that Florida has the third largest EV charging infrastructure in the country, behind California and New York, respectively.<sup>33</sup> As of January 14, 2022, Florida has the following numbers of charging infrastructure:

- Station locations – 2,633
- EV supply equipment ports – 6,752
- Level 1 chargers - 370
- Level 2 chargers – 5,217
- DCF chargers – 1,165

### **Electric Vehicle Infrastructure Master Plan**

In 2020, the Legislature created s. 339.287, F.S., relating to the EV charging station infrastructure plan, requiring the Florida Department of Transportation (FDOT) to coordinate, develop, and recommend a Master Plan for the development of electric vehicle charging station infrastructure along the State Highway System.<sup>34</sup> The FDOT, in consultation with the Florida Department of Environmental Protection, the PSC, and other state agencies, developed the EV Master Plan (EVMP) with extensive public engagement.<sup>35</sup> The stated goals of the EVMP were to:

- Support both short-range and long-range electric vehicle travel;
- Encourage the expansion of electric vehicle use in the state; and
- Adequately serve evacuation routes in the state.

In July 2021, the EVMP was delivered, providing a comprehensive course of action to efficiently and effectively provide for EV charging infrastructure.<sup>36</sup> The EVMP discusses:

- Benefits of electrified mobility;
- Barriers to adoption and industry trends;
- Installation considerations;
- Fleet considerations and future advancements;
- Utility regulatory considerations;<sup>37</sup>
- Strategies to develop charging supply;
- EV market adoption;
- Impacts to transportation funding;

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<sup>32</sup> DACS, select *Electricity*, available at <https://www.fdacs.gov/Energy/Florida-Energy-Clearinghouse/Transportation> (last visited Jan.13, 2022).

<sup>33</sup> U.S. Dept, Energy, *Alternative Fueling Station Counts by State*, *supra* n. 25.

<sup>34</sup> Chapter 2020-21, s. 3, Laws of Fla.

<sup>35</sup> FDOT, *Electric Vehicle Infrastructure Master Plan*, <https://www.fdot.gov/planning/fto/ev/default> (last visited Jan. 13, 2022).

<sup>36</sup> FDOT, *EVMP*, *supra* n. 30.

<sup>37</sup> Pages 15-22 of the EVMP discuss utility regulatory considerations.

- Resiliency and emergency evacuations;
- Identification of potential new EVSE locations;
- EV infrastructure on the state highway system; and
- Recommendations.

### **Florida Public Service Commission**

The PSC is an arm of the legislative branch of government.<sup>38</sup> The role of the PSC is to ensure that Florida’s consumers receive utility services, including electric, natural gas, telephone, water, and wastewater, in a safe, reasonable, and reliable manner.<sup>39</sup> In order to do so, the PSC exercises authority over public utilities in one or more of the following areas: (1) Rate or economic regulation; (2) Market competition oversight; and/or (3) Monitoring of safety, reliability, and service issues.<sup>40</sup> Chapter 366, F.S., grants the PSC broad authority over the retail sales of electricity by IOUs, under which the PSC has approved EV charging pilot programs.

### **Public Utilities**

A public utility includes any person or legal entity supplying electricity or gas, including natural, manufactured, or similar gaseous substance, to or for the public within the state.<sup>41</sup> The term does not include municipal electric utilities and rural electric cooperatives.<sup>42</sup> Therefore, the PSC does not regulate the rates of publicly owned municipal or cooperative electric utilities.<sup>43</sup>

There are five investor-owned electric utility companies (IOU) in Florida: Florida Power & Light Company (FPL), Duke Energy Florida (Duke), Tampa Electric Company (TECO), Gulf Power Company (Gulf), and Florida Public Utilities Corporation.<sup>44</sup> IOU rates and revenues are regulated by the PSC.<sup>45</sup> These utilities must file periodic earnings reports, which allow the PSC to monitor earnings levels on an ongoing basis and adjust customer rates quickly if a company appears to be overearning.<sup>46</sup> Section 366.06, F.S., requires the PSC to allow the IOUs to recover honestly and prudently invested costs of providing service, including investments in infrastructure and operating expenses used to provide electric service.<sup>47</sup>

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<sup>38</sup> Section 350.001, F.S.

<sup>39</sup> See Florida Public Service Commission, *The PSC’s Role*, <http://www.psc.state.fl.us> (last visited Jan. 14, 2022).

<sup>40</sup> *Id.*

<sup>41</sup> Section 366.02(1), F.S.

<sup>42</sup> *Id.*

<sup>43</sup> See PSC, *Florida PSC 2020 Annual Report*, p. 13, available at <http://www.psc.state.fl.us/Files/PDF/Publications/Reports/General/Annualreports/2020.pdf> (last visited Jan. 9, 2022).

<sup>44</sup> *Id.* FPL acquired Gulf in 2019 and merged as of January 3, 2022.

<sup>45</sup> Florida Dept. Agriculture and Consumer Services, *Electric Utilities*, <https://www.fdacs.gov/Energy/Florida-Energy-Clearinghouse/Electric-Utilities> (last visited Jan. 10, 2022).

<sup>46</sup> PSC, *2020 Annual Report*, *supra* n. 43, p. 6.

<sup>47</sup> *Id.*

## Florida Investor-Owned Utility Electric Vehicle Programs

### *Tampa Electric Company*

On April 1, 2021, the PSC approved TECO's request for an EV charging pilot program.<sup>48</sup> This allowed TECO to spend up to \$2 million dollars to purchase, install, own, and maintain 200 EV charging stations.<sup>49</sup> TECO will pay up to \$5,000 per Level 2 port, toward the cost of installation for workplaces, public or retail, and multi-unit dwellings, and the full cost of installation for income-qualified sites and government locations.<sup>50</sup>

Under the program, TECO is required to file annual reports, providing comprehensive data for each market segment, including the number of charging sessions, time of use, charger utilization by geographic location, costs to EV drivers, installation costs, load profiles, ongoing operation and maintenance expenses, and site host or driver feedback.<sup>51</sup>

The PSC authorized TECO to begin recovery of the charging port investments as well as pilot program administration and operation expenses through its base rates.<sup>52</sup> Under the pilot program, TECO is not requesting any new rate tariffs, rather electricity will be sold to site hosts at tariff rates under either their existing electric service or through a separate service meter.<sup>53</sup> The site host may charge EV drivers or provide charging free of cost. If the site host charges for power then the charge is limited to TECO's current GS tariff rate, plus any fees assessed by the billing vendor.<sup>54</sup>

### *Duke Energy Florida, LLC*

In 2017, the PSC approved, Duke's "Park & Plug" pilot program, as part of Duke's negotiated rate case settlement agreement.<sup>55</sup> The five-year pilot program allowed Duke to purchase, install, own, and support EV charging stations at customer locations. Duke could incur up to \$8 million, plus reasonable operating expenses, with a minimum deployment of 530 charging ports.<sup>56</sup> Duke estimated that it would have installed 182 public Level 2 chargers at local businesses, 220 Level 2 chargers in multi-unit dwellings, 169 Level 2 chargers in workplaces, and 51 DCFCs in public locations by the end of its program which ran through 2021.<sup>57</sup>

On January 14, 2021, Duke filed a new settlement agreement, requesting approval of a permanent EV charging station offering.<sup>58</sup> The parties agreed that pilot program should not

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<sup>48</sup> PSC, *Bill Analysis for SB 920* (Dec. 15, 2021) p. 1 (on file with the Senate Committee on Regulated Industries); EVMP, *supra* n. 30, p. 22.

<sup>49</sup> *Id.*

<sup>50</sup> EVMP, *supra* n. 30, p. 22.

<sup>51</sup> PSC, *Summary of Investor-Owned Utility EV Pilot Programs*, p. 1 (on file with the Senate Committee on Regulated Industries);

<sup>52</sup> *Id.*

<sup>53</sup> *Id.*

<sup>54</sup> *Id.*

<sup>55</sup> PSC, *SB 920 Bill Analysis*, *supra* n. 48, p. 2.

<sup>56</sup> EVMP, *supra* n. 30, p. 19.

<sup>57</sup> PSC, *Summary of IOU EV Programs*, *supra* n. 51, p. 2.

<sup>58</sup> *Id.*



continue in its original form.<sup>59</sup> Duke was permitted to continue operation and recovery of costs for its existing charging stations, but the program was replaced with a permanent EV program. The permanent program will cost \$62.9 million over, from 2022-2025.<sup>60</sup> The permanent program was approved by the PSC as a component of Duke's rate case settlement and will be implemented through three new EV programs:

- Residential EV Non-Time of Use Credit Program;
- Rebate Program for Commercial and Industrial Customer Charging Stations; and
- Duke Florida-Owned DC Fast Charge Station Program.<sup>61</sup>

### ***Florida Power and Light Company***

In 2019, FPL began EVolution, a three-year pilot program, with a target of 1,000 charging ports of various technologies, within all market segments.<sup>62</sup> The pilot program focuses on:

- Gathering information such as EV use, adoption, and power quality data;
- Providing insights into potential new rate structures;
- Increasing public charging stations for EVs in Florida by 50 percent;
- Partnerships with interested host customers; and
- Installations encompassing workplace, destination, public fast charging, and residential.<sup>63</sup>

The total forecasted investment in the program is \$30 million through 2022.<sup>64</sup>

In 2020, the PSC approved FPL's petition requesting approval of a tariff with specific EV charging rates for both utility-owned and non-utility charging stations.<sup>65</sup> The Utility-Owned Public Charging for EV establishes a charging rate for utility-owned DCFC stations of \$0.30 per kilowatt hour, a rate based on a comparison of automotive fuel alternatives and the average charge at non-utility DCFC stations.<sup>66</sup>

The Electric Vehicle Charging Infrastructure Riders establish rates for non-utility charging stations operating in FPL's service area.<sup>67</sup> These riders are designed to help mitigate the impact of demand charges for charging stations that have low use.<sup>68</sup> These rate tariffs were approved by the PSC in December 2020 and require FPL to file annual reports of its utility-owned fast charging stations.<sup>69</sup> FPL must file a petition to extend, modify these rate tariffs by September 2025.<sup>70</sup>

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<sup>59</sup> EVMP, *supra* n. 30, p. 19.

<sup>60</sup> *Id.*

<sup>61</sup> PSC, *Summary of IOU EV Programs*, *supra* n. 51, p. 2.

<sup>62</sup> EVMP, *supra* n. 30, p. 21.

<sup>63</sup> *Id.*

<sup>64</sup> PSC, *Summary of IOU EV Programs*, *supra* n. 51, p. 3.

<sup>65</sup> *Id.*; Southern Alliance for Clean Energy, *New Florida Power & Light EV Pilot Tariff Passed to Support DC Fast-Charging*, <https://cleanenergy.org/blog/new-florida-power-light-ev-pilot-tariff-passed-to-support-dc-fast-charging/> (last visited Jan. 13, 2022).

<sup>66</sup> PSC, *Summary of IOU EV Programs*, *supra* n. 51, p. 3.

<sup>67</sup> *Id.*; EVMP, *supra* n. 30, p. 21.

<sup>68</sup> PSC, *Summary of IOU EV Programs*, *supra* n. 51, p. 3.

<sup>69</sup> *Id.*

<sup>70</sup> *Id.*



On October 26, 2021, the PSC approved FPL's Joint Motion for Approval of Settlement in its latest rate case.<sup>71</sup> Under the settlement, FPL expanded its EV pilot programs to include:

- Public Fast Charging Program;
- Residential EV Charging Services Pilot;
- Commercial EV Charging Services Pilot;
- New Technologies and Software; and
- Education and Awareness.<sup>72</sup>

### III. Effect of Proposed Changes:

The bill creates s. 366.945, F.S., relating to an EV transportation electrification plan. It provides for legislative findings, which state that:

- It is in the public interest to promote and develop EV infrastructure through competitively neutral policies for IOU rates, terms, and conditions for EV charging stations;
- Widespread deployment of EV charging stations is consistent with Florida's public policy;
- The expansion of EV use provides Florida with increased energy security and health and environmental benefits by reducing fossil fuel consumption and street-level air pollutants, carbon dioxide, and nitrogen oxides; and
- EV charging station infrastructure can lessen climate impacts, expand infrastructure investment, improve environmental and economic conditions, and help make Florida a leader in new and innovative technologies.

The bill directs the PSC to adopt rules for the plan, to facilitate the deployment of EV charging infrastructure in a competitively neutral manner, including reasonable and affordable electric rates for investor-owned electric utilities that offer EV charging to the public. The rules must address:

- Investment in publicly available Level 2 and DCFC chargers that are competitively neutral, prioritizing and encouraging private investment and private ownership and operation of EV charging infrastructure;
- Policies that stimulate innovation, competition, private investment, and customer choice in EV infrastructure charging equipment and networks;
- Mechanisms, including incentives, supporting efficient and cost-effective use of the electric grid, in a manner that supports EV charging infrastructure;
- Incentives supporting private investment in charging equipment;
- Policies prohibiting IOUs from using rate base investment in the ownership and operation of EV charging stations and limit public utility cost recovery to distribution-level system infrastructure on the utility side of the meter; and
- Stimulation of fair and reasonable electricity pricing through IOU tariff provisions to promote widespread offering of EV charging.

The bill requires the PSC to propose rules by January 1, 2023, with final rule adoption by January 1, 2024.

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<sup>71</sup> See PSC Docket No. 20210015, available at: <http://www.psc.state.fl.us/ClerkOffice/DocketFiling?docket=20210015> (last visited Jan. 13, 2021).

<sup>72</sup> PSC, *SB 920 Bill Analysis*, *supra* n. 48, p. 1.

The bill allows any entity providing EV charging stations to the public to intervene in any PSC proceeding involving IOU rates, terms, or conditions.

Under the bill, IOUs may provide EV charging stations directly to the public through a separate, unregulated entity on the same terms and conditions as other EV charging station providers. The bill provides for the removal of EV charging assets from an IOU's rate base, if the IOU directly provides EV charging stations to the public in a manner that violates the bill or violates PSC rules adopted under the bill within one year of rule adoption. Any EV charging station infrastructure provided as a rate base asset must be removed from the rate base or provided through a separate unregulated corporate affiliate.

The bill is effective July 1, 2022

#### **IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

According to the PSC, a prohibition on the IOUs receiving cost recovery for EV investments may result in an unconstitutional takings.<sup>73</sup>

#### **V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The bill may have a fiscal impact on IOUs with existing EV infrastructure that will have to be removed from the rate base, or otherwise provided through a separate, unregulated corporate affiliate.

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<sup>73</sup> PSC, *SB 920 Bill Analysis*, *supra* n. 48, p. 4.

According to the PSC, requiring IOU investment in activities to stimulate private investment, such as rebates or discounts to owners of charging stations, would have to allow IOUs to recover the reasonable costs of such activities. This could result in a negative fiscal impact on the general body of ratepayers who do not own EVs and result in a subsidization of private companies by the ratepayers in their deployment of EV charging stations.<sup>74</sup>

**C. Government Sector Impact:**

The PSC anticipates that it can conduct rulemaking and implementation with existing staff.<sup>75</sup>

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

The bill does not grant the PSC authority over non-utility entities providing EV. According to the PSC, it is unclear how it can prioritize and encourage private investment, or stimulate competition and customer choice in a market that is outside of its jurisdiction.<sup>76</sup>

**VIII. Statutes Affected:**

This bill creates section 366.945 of the Florida Statutes.

**IX. Additional Information:**

**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

**B. Amendments:**

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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<sup>74</sup> PSC, *SB 920 Bill Analysis*, *supra* n. 48, p. 2.

<sup>75</sup> *Id.* at p. 3.

<sup>76</sup> *Id.* at p. 2.