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June 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 in the above-referenced docket on behalf of Florida Energy for Innovation Association, Inc. ("FEIA"), please find the Prefiled Direct Testimony of Walter H. Rizer, Jr. and Exhibit WHR-1 thereto. 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 June 2025 the following:

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

D. Bruce May, Jr.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

_____ /

Docket No.: 20250011-EI

Filed: June 9, 2025

DIRECT TESTIMONY

OF

WALTER H. RIZER JR.

on behalf of Intervenor,

Florida Energy for Innovation Association, Inc.

1 **Q. PLEASE STATE YOUR FULL NAME.**

2 A. Walter H. Rizer Jr., but I am known professionally as Buddy Rizer.

3 **Q. BY WHOM ARE YOU EMPLOYED?**

4 A. I am employed in Loudoun County, Virginia, where I serve as the Head of

5 Economic Development.

6 **Q. WHAT IS YOUR EDUCATIONAL AND EMPLOYMENT**

7 **BACKGROUND?**

8 A. I hold an AA and BA in Communications and Business from Towson University.

9 I completed my graduate work in local government management at Virginia Tech

10 and have a master's degree in business and economics from Longwood University.

11 For the past 18 years, I have been working in economic development in Loudoun

12 County, Virginia. Since 2007, I have led Loudoun County's efforts to become the

13 world's largest data center market, overseeing almost 4 GW on the meter and about

14 8 GW of capacity. My work emphasizes attracting high-tech industries, forming

15 public-private partnerships, and promoting policies that drive sustained economic

16 growth and deliver direct benefits to residents. My curriculum vitae is attached as

17 Exhibit WHR-1.

18 **Q. ON WHOSE BEHALF ARE YOU SUBMITTING TESTIMONY TODAY?**

19 A. I am providing this testimony on behalf of the Florida Energy for Innovation

20 Association ("FEIA"), an alliance representing data center providers and affiliated

21 entities advocating for competitive energy policies in Florida.

22 **Q. WHAT IS FEIA'S INTEREST IN THIS PROCEEDING REGARDING**

23 **FPL'S PROPOSED LLCS RATES?**

24 A. FEIA is focused on enabling Florida's data center sector to flourish, recognizing

25 that data centers generate significant economic benefits, including high-wage job

1 creation, an expanded tax base, infrastructure development, and indirect business
2 growth. FEIA is concerned that FPL's proposed LLCS rates threaten to undermine
3 Florida's competitiveness relative to other leading national and international data
4 center hubs, risking billions in foregone investment.

5 **Q. WHAT IS YOUR EXPERIENCE WITH DATA CENTER MARKETS?**

6 A. As Head of Economic Development for Loudoun County, I have spearheaded the
7 growth of the world's largest data center market, bringing over 49 million square
8 feet of mission critical facilities and \$1 billion in annual tax revenue. Loudoun
9 County's growth is anchored by competitive electricity rates, strong transmission
10 infrastructure, streamlined permitting, and coordinated state and local incentives.
11 The growth of this sector has resulted in more than 1,200 jobs and opportunities
12 directly attributable to investment.

13 **Q. IS IT YOUR POSITION THAT ELECTRIC RATES AND**
14 **COLLABORATION WITH THE ELECTRIC INDUSTRY**
15 **CONTRIBUTED TO THIS ECONOMIC SUCCESS IN LOUDOUN**
16 **COUNTY?**

17 A. Yes. As discussed in greater detail below, it is a long-standing economic principle
18 that new industry, data centers in particular, considers electric rates a primary
19 factor in selecting project locations. It is a critical economic driver.

20 **Q. WHAT ARE THE TYPICAL ELECTRICITY RATES IN LOUDOUN**
21 **COUNTY?**

22 A. Data centers in Loudoun County are served by Dominion Energy, which has
23 relevant rates at between 7-8 cents/kWh before taxes and fees — markedly lower
24 than FPL's proposed rates of over 10 cents/kWh (inclusive of incremental
25 generation charges). Dominion Energy's rates, combined with Virginia's

1 streamlined permitting and tax incentives, have attracted hyperscale operators,
2 contributing to Loudoun's economic vitality. The much higher rates proposed by
3 FPL place Florida at a competitive disadvantage compared to proven markets like
4 Loudoun County. This differential is a major driver of site selection decisions.

5 **Q. HOW HAS LOUDOUN COUNTY LEVERAGED DATA CENTER**
6 **GROWTH TO DELIVER TAX AND SERVICE BENEFITS TO**
7 **RESIDENTS?**

8 A. Data centers have transformed Loudoun County's fiscal landscape, generating \$1
9 billion in tax revenue annually. Between FY2012 and FY2026, Loudoun's tax rate
10 dropped from \$1.285 to \$0.805 per \$100 of assessed value. For a homeowner with
11 an average assessed home value of \$735,800, this translates into annual tax savings
12 of about \$3,532. Beyond fiscal gains, the data center ecosystem creates thousands
13 of high-skilled jobs, boosts local contractors and suppliers, and enables greater
14 funding for schools, public safety, affordable housing, and infrastructure, all
15 without shifting tax burdens onto residential taxpayers. Florida could expect to
16 replicate this success by ensuring its electricity rates are competitive and land at
17 levels consistent with more established data center markets such as Loudoun
18 County.

19 **Q. HOW DO FPL'S PROPOSED LLCS RATES COMPARE TO NATIONAL**
20 **BENCHMARKS FOR DATA CENTER MARKETS, AND WHAT IMPACT**
21 **COULD THEY HAVE ON FLORIDA'S COMPETITIVENESS?**

22 A. As detailed by Witness Loomis, FPL's proposed rates of 10.16 cents/kWh
23 significantly exceed competitive US benchmarks. Nationally, both emerging and
24 established data center markets have average utility rates significantly lower than
25 Florida's proposed LLCS rates. This rate disparity places the state of Florida at a

1 competitive disadvantage for attracting large-scale data centers. Without revising
2 FPL's proposed rate increases for data centers, Florida may be sidelined in the race
3 for hyperscale data center investments.

4 **Q. WHY IS ELECTRICITY COST SUCH A CRITICAL FACTOR IN DATA**
5 **CENTER SITE SELECTION?**

6 A. The International Data Corporation's September 2024 report shows that electricity
7 typically accounts for up to 60% of a data center's operational expenses, making
8 it the most decisive cost contributor. Coupled with Florida's hurricane risk profile
9 and high insurance costs, high electricity rates can effectively block Florida from
10 competing in the data center market. For example, under FPL's proposal, a 1,000
11 MW site would incur a total electricity cost of \$16.4 billion in total electricity
12 charges over a 20-year period, significantly more than in competing states such as
13 Louisiana or Georgia. Competitive rates drive investment decisions, and the
14 leading hyperscale data center operators prefer to cluster in geographies with
15 economic energy costs and a generally supportive industry posture. For example,
16 in Loudoun County, competitive rates have driven over 3,000 MW of development
17 and more than \$25 billion of investment. In my opinion, if the Commission
18 approves FPL's proposed LLCS Tariff, Florida risks losing hyperscale data center
19 investment altogether to states like Virginia, Georgia, and Michigan.

20 **Q. WHAT SHOULD THE FLORIDA PUBLIC SERVICE COMMISSION BE**
21 **LOOKING AT TO UNDERSTAND THE BROADER ECONOMIC**
22 **IMPACT OF FPL'S PROPOSED LLCS TARIFF?**

23 A. The Commission should ask: What is the estimated tax revenue loss if Florida
24 misses out on the data center boom? How many indirect jobs (construction,
25 maintenance, suppliers) would be lost if hyperscale operators bypass Florida?

1 What are the long-term reputational risks if Florida gains a reputation as an
2 uncompetitive market? These questions highlight the importance of aligning rates
3 with national benchmarks.

4 **Q. IN DETERMINING ACTUAL RATES, WHAT SHOULD THE**
5 **COMMISSION BE CONSIDERING?**

6 A. In Loudoun County, our regulators and stakeholders understood that a
7 constructive regulatory and political environment would bring new industry, new
8 economic opportunity, and new businesses to share in the cost of electricity,
9 thereby benefiting all. In balancing the interests of the utilities and ALL customers,
10 the Florida Commission has the responsibility to recognize that if its decision
11 shutters an industry, there is harm to the general body of customers. That is never
12 good regulatory practice.

13 **Q. WHAT ECONOMIC OPPORTUNITIES COULD FLORIDA TAP INTO BY**
14 **ADOPTING COMPETITIVE RATES?**

15 A. Florida has a chance to capture a share of the global cloud, AI, and digital services
16 boom. Virginia and Georgia are already attracting billions in hyperscale
17 investment, creating high-wage tech jobs and expanding local economies. With
18 competitive rates, Florida could position itself as a southeastern AI hub, driving
19 new economic development, tax revenue, and innovation without burdening
20 residential ratepayers.

21 **Q. HOW DO FPL'S JUSTIFICATIONS FOR ITS PROPOSED RATES**
22 **COMPARE TO SUCCESSFUL DATA CENTER MARKETS?**

23 A. While FPL argues the need for higher data center rates to support grid investment,
24 leading markets like Virginia show that cost-based, scalable pricing can support
25 both reliability and competitive growth. Dominion Energy has kept rates stable

1 while delivering major infrastructure projects, balancing shareholder returns and
2 customer needs without targeting hyperscale customers with disproportionate
3 charges.

4 **Q. WHAT SPECIFIC RATE TARGET WOULD MAKE FLORIDA**
5 **COMPETITIVE?**

6 A. To compete with states like Virginia, Georgia, and Michigan, I would suggest that
7 a rate of no more than 7.5 cents/kWh before taxes and fees and inclusive of any
8 incremental generation charges. This rate aligns with Virginia's and other relevant
9 market's competitive pricing and should enable FPL to profitably deliver
10 generation without burdening the general body of rate payers. By mirroring
11 successful markets, Florida can attract hyperscale data centers, driving economic
12 growth and resident benefits like those seen in Loudoun County.

13 **Q. SHOULD FLORIDA CONSIDER SPECIAL CONTRACTS OR**
14 **CUSTOMIZED RATE ARRANGEMENTS?**

15 A. Yes. Leading states use special contracts to offer tailored, cost-reflective rates for
16 hyperscale customers, ensuring long-term commitments while managing system
17 costs. These agreements allow utilities to secure major loads without
18 overburdening the general rate base. Florida should actively explore this approach.

19 **Q. HOW CAN FLORIDA BALANCE COMPETITIVE RATES WITH GRID**
20 **RELIABILITY AND SUSTAINABILITY?**

21 A. By adopting transparent, cost-based designs and incentivizing renewable energy
22 partnerships, Florida can attract major loads while advancing clean energy and
23 resilience goals. Virginia and Georgia have successfully integrated renewables and
24 large-load growth, offering models Florida could adapt.

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Q. WHAT POLICY SIGNAL DOES FLORIDA SEND TO GLOBAL INVESTORS BY SETTING UNCOMPETITIVE RATES?

A. Setting uncompetitive rates signals that Florida is not serious about capturing hyperscale data center investment, which may permanently shift investment pipelines toward other regions. Competitive pricing sends a strong pro-growth signal to global tech firms evaluating multi-billion-dollar commitments. Once those companies and dollars have been committed elsewhere, Florida will lose out for the foreseeable future. I would also note that the ongoing challenges to the extension of Florida’s Data Center State Sales Tax incentive are being closely tracked by the key hyperscale operators and developers as a litmus test on Florida as a viable data center market.

Q. WHAT RECOMMENDATIONS DO YOU HAVE FOR THE COMMISSION?

A. I strongly recommend that the Commission adopt competitive LLCS rates and contractual terms aligned with national benchmarks for hyperscale customers. These steps will ensure Florida attracts transformative data center investments, drive long-term economic growth, and deliver benefits to residents without burdening the general body of rate payers.

Q. DO YOU HAVE ANY FINAL THOUGHTS FOR THE COMMISSION AS IT CONSIDERS FPL’S PROPOSED LLCS TARIFF?

A. Yes. As an emerging market for data centers and the AI industries, Florida has enormous potential to compete nationally, but only if critical factors like electricity pricing align with industry expectations. Drawing from my experience leading economic development in Loudoun County, I have seen firsthand that states

1 thriving in this sector prioritize clear, deliberate policies, particularly around
2 energy costs and rate structures. Approving the proposed LLCS tariff in its current
3 form would place Florida at a competitive disadvantage, hindering its ability to
4 establish itself as a viable market for data centers and the AI sector before it even
5 enters the race.

6 This decision transcends utility rates as it represents a pivotal moment for Florida's
7 economic future. Adopting the LLCS tariff as proposed risks signaling that Florida
8 is not fully committed to attracting data centers and the AI industries they support.
9 Instead, the Commission has a unique opportunity to position Florida as a leader
10 in the digital economy by ensuring its rates and rate structure support the needs of
11 21st-century infrastructure. By choosing a path that reflects the demands of these
12 transformative industries, the Commission can help Florida seize its share of this
13 multi-trillion-dollar economic opportunity.

14 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

15 **A.** Yes.
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BUDDY RIZER
EXECUTIVE DIRECTOR
LOUDOUN COUNTY DEPARTMENT OF ECONOMIC DEVELOPMENT

AREAS OF EXPERTISE

- Economic development strategy
- Business recruitment and retention
- International business development
- Leadership and team building
- Public-private partnerships

PROFESSIONAL SUMMARY

Executive Director of Loudoun County Department of Economic Development with a proven track record of driving over \$65 billion in commercial investment and creating 60,000+ new jobs. Recognized as a transformative leader in economic development, with global business development experience across 15+ countries and a pivotal role in building Loudoun's "Data Center Alley," the world's largest concentration of data centers.

EDUCATION

Master's in Business and Economics
Longwood University

Graduate, Local Government Management Program
Virginia Tech

PROFESSIONAL EXPERIENCE

Executive Director
Loudoun County Department of Economic Development 2007 - Present

- Lead award-winning economic development agency, named 2021 Economic Development Organization of the Year by IEDC
- Attracted \$65 billion+ in new investment and created over 60,000 jobs
- Helped lower Loudoun County's tax rate by 48 cents, saving residents thousands annually
- Spearheaded the growth of "Data Center Alley" to become the largest in the world
- Led international business development efforts in 15+ countries across Europe, Asia, Africa, South America, and the Middle East

CERTIFICATIONS

- Certified Economic Developer (CEcD) — IEDC
- Certified Entrepreneurship Development Professional (EDP) — IEDC

PROFESSIONAL MEMBERSHIPS

- Board of Trustees, Northern Virginia Community College (NOVA)
- Past Chair, NOVA Foundation Board
- Secretary, Go Virginia Region 7 Council
- Founding Member & Past Chair, Northern Virginia Economic Development Alliance
- Member, Virginia Advisory Committee, U.S. Global Leadership Coalition
- Board Member, Northern Virginia Technology Council, Dulles Free Trade Zone, Washington Airports Task Force
- Chair, Rivana at Innovation Station Community Development Authority

AWARDS & RECOGNITION

- 2025 National Eagle Scout Association Outstanding Eagle Scout Award (NOESA)
- Eight-time Tech Titan, Washingtonian Magazine
- Six-time Top 50 Most Influential Virginians, Virginia Business Magazine
- Five-time Virginia Power 500 Member
- Three-time Power 100, Washington Business Journal
- 2024 Top 50 Most Influential People in Northern Virginia, Northern Virginia Magazine