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STATE OF GEORGIA
BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION

Docket No. 44160 Georgia Power Company's 2022 Integrated Resource Plan
Docket No. 44161 Georgia Power Company's 2022 Application for the Certification,
Decertification, and Amended Demand-Side Management Plan

PUBLIC INTEREST ADVOCACY STAFF'S PROPOSED
ORDER ADOPTING STIPULATION

APPEARANCES:

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SIMON MAHAN

BY THE COMMISSION:

On January 31, 2022, Georgia Power Company (“Georgia Power” or “Company”) submitted to the Georgia Public Service Commission (“Commission”) its 2022 Integrated Resource Plan (“IRP” or “Plan”) for approval pursuant to O.C.G.A. § 46-3A-1 through 11 (“IRP Act”), Docket No. 44160. The Company simultaneously submitted an Application for the Certification, Decertification, and Amended Demand-Side Management Plan (“DSM Application”) Docket No. 44161.

JURISDICTION AND AUTHORITY

Georgia Power is a public electric utility serving retail customers within the State of Georgia. Georgia Power is one of the retail operating companies of which the Southern Company system is

comprised. This Commission has jurisdiction over Georgia Power's IRP and DSM Application pursuant to O.C.G.A. § 46-2-20, 46-2-21, 46-2-23 generally, and the IRP Act in particular.

The IRP Act requires the Company to file an Integrated Resource Plan at least every three years.¹ A "plan" is defined in the Act as an Integrated Resource Plan that contains the utility's electric demand and energy forecast for at least a 20-year period; program for meeting the requirements shown in its forecast in an economical and reliable manner; the analysis of all capacity resource options, including both demand-side and supply-side options; and the assumptions used and the conclusions reached with respect to the effect of each capacity resource option on the future cost and reliability of electric service. The Plan also must:

- (A) Contain the size and type of facilities which are expected to be owned or operated in whole or in part by such utility and the construction of which is expected to commence during the ensuing ten years or such longer period as the Commission deems necessary and shall identify all existing facilities intended to be removed from service during such period or upon completion of such construction;
- (B) Contain practical alternatives to the fuel type and method of generation of the proposed electric generating facilities and set forth in detail the reasons for selecting the fuel type and method of generation;
- (C) Contain a statement of the estimated impact of proposed and alternative generating plants on the environment and the means by which potential adverse impacts will be avoided or minimized;
- (D) Indicate, in detail, the projected demand for electric energy for a 20-year period and the basis for determining the projected demand;
- (E) Describe the utility's relationship to other utilities in regional associations, power pools, and networks;

¹ O.C.G.A. § 46-3A-2.

- (F) Identify and describe all major research projects and programs which will continue or commence in the succeeding three years and set forth the reasons for selecting specific areas of research;
- (G) Identify and describe existing and planned programs and policies to discourage inefficient and excessive power use; and
- (H) Provide any other information as may be required by the Commission.²

Pursuant to the IRP Act, the Commission has promulgated rules that further detail the information that the Company is required to include in its Plan.³

The Commission is required under O.C.G.A. § 46-3A-2 to make determinations as to the adequacy of the IRP and to ensure that the utility's Plan has appropriately addressed numerous matters. For instance, the Commission must determine whether the forecast requirements contained in the Plan are based on substantially accurate data and an adequate method of forecasting.⁴ The Commission must also make a finding as to whether the Plan identifies and considers any present and projected reductions in the demand for energy that may result from measures to improve energy efficiency in the industrial, commercial, residential, and energy-producing sectors of the state.⁵

Further, the Commission must determine whether the Plan adequately demonstrates the economic, environmental, and other benefits to the state and to customers of the utilities, associated with the following possible measures and sources of supply:

- (A) Improvements in energy efficiency;
- (B) Pooling of power;
- (C) Purchases of power from neighboring states;
- (D) Facilities that operate on alternative sources of energy;
- (E) Facilities that operate on the principle of cogeneration or hydro-generation; and
- (F) Other generation facilities and demand-side options.⁶

² O.C.G.A. § 46-3A-1(7).

³ See GA. COMP. R. AND REGS. ("Commission Rule") 515-3-4-.01 through .12.

⁴ O.C.G.A. § 46-3A-2(b)(1).

⁵ O.C.G.A. § 46-3A-2(b)(2).

⁶ O.C.G.A. § 46-3A-2 (b)(3).

After hearings have been conducted on a Plan, the Commission may approve the IRP; approve it subject to stated conditions; approve it with modifications; approve it in part and reject it in part; reject the plan as filed; or provide an alternate plan, upon determining that this is in the public interest.⁷

An electric utility is entitled to recover the approved or actual cost, whichever is less, of any certificated demand-side capacity option in rates, along with an additional sum.⁸ In determining the additional sum, the Commission “shall consider lost revenues, if any, changed risks, and an equitable sharing of benefits between the utility and its retail customer.”⁹

BACKGROUND AND STATEMENT OF PROCEEDINGS

On February 3, 2022, the Commission issued its Procedural and Scheduling Order in both dockets setting forth the dates for filing of testimony and briefs, as well as the dates for the hearings in this matter. These proceedings were declared to be contested cases as the term is defined in O.C.G.A. § 50-13-13 and were also held to encompass complex litigation pursuant to O.C.G.A. § 9-11-33(a). The two proceedings were assigned Docket Nos. 44160 and 44161, respectively, and combined for purposes of administrative efficiency and convenience.

Pursuant to O.C.G.A. § 46-3A-5(c), the Commission established the fee for review of the IRP within sixty days of the filing of the applications. On March 15, 2022, the Commission concluded that the appropriate fee for review and analysis of the Company’s filing was five hundred ninety-five thousand three hundred twenty-four dollars (\$595,324.00).

The Commission held three rounds of hearings in accordance with the Procedural and Scheduling Order. On April 4-5, 2022, the Commission heard direct testimony of Georgia Power’s three panels of witnesses: (1) Jeffery R. Grubb, A. Wilson Mallard, Michael B. Robinson, Jeffrey

⁷ Commission Rule 515-3-4-.01(2).

⁸ O.C.G.A. § 46-3A-9

⁹ *Id.*

B. Weathers; (2) Mark S. Berry and Aaron D. Mitchell; and (3) Francisco Valle, Andy Phillips, Jeffrey K. Smith, and Lee Evans.

The Commission conducted hearings on the direct cases of the Public Interest Advocacy Staff (“PIA Staff”) and intervening parties in both dockets on May 24 – 26, 2022. The PIA Staff sponsored the following witness panels:

- Ralph Smith and Robert Trokey;
- Philip Hayet, Tom Newsome, Stephen Baron and Leah Wellborn;
- Jamie Barber, Timothy Cook, and Jeffrey D. Bower;
- Paul Alvarez and Dennis Stephens;
- John W. Chiles and Jacob M. Thomas; and
- Jamie Barber, Nick Cooper, and Richard F. Spellman.

PIA Staff also sponsored the panel of Harold T. Judd, Philip Layfield, Marcus Jackson, and Nicholas Wintermantel.

The following witnesses and witness panels were presented by intervening parties:

- Commercial Group - Steve Chriss;
- Concerned Ratepayers of Georgia - Steven C. Prenovitz;
- Cypress Creek Renewables, LLC – Matthew Kozey;
- Georgia Association of Manufacturers- Jeffrey Pollock;
- Georgia Center for Energy Solutions - Peter J. Hubbard;
- Georgia Coalition of Local Governments- panel of Dr. Howard Axelrod and John R. Seydel;
- Georgia Interfaith Power & Light and Partnership for Southern Equity – panel of Dr. Matt Fox and James Wilson;
- Georgia Large Scale Solar Association and Advanced Power Alliance- panel of Ryan Sanders, Lucas Moller, Blan Holman, and Arme Olson;
- Georgia Solar Energy Industries Association, Solar Energy Association, and Vote Solar- panel of Kevin Lucas, Tully Blalock, Steve Chiariello, and Thatcher Young;
- Restore Chattooga Gorge Coalition- panel of Colin McBeath and April McEwen;

- Sierra Club – panel of Tyler Fitch, Jason Frost and Mark Quarles;
- Southern Alliance for Clean Energy and Southface Energy Institute – witnesses Forest Bradley-Wright; Ronald J. Binz and Dr. Marilyn A. Brown; and
- Southern Renewable Energy Association - Michael Goggin.

The following parties intervened but did not sponsor testimony:

- Americans for Affordable Clean Energy;
- Georgia Solar Energy Association;
- Georgia Watch;
- Interstate Gas Supply, Inc.; and
- Resource Supply Management

On June 8, 2022, Georgia Power filed its rebuttal testimony, which consisted of the following witnesses and witness panels:

- Jeffrey Grubb, A. Wilson Mallard, Michael B. Robinson and Jeffrey B. Weathers;
- Francisco Valle, Andy Phillips, Jeff Smith and Lee Evans; and
- Aaron D. Mitchell

On June 13, 2022, Georgia Power and PIA Staff filed a Stipulation designed to resolve all the issues that were raised in these two dockets, except that the Stipulation identified the decision of whether to retire Bowen Units 1 and 2 as a policy decision for the Commission (See Attachment A). The Commercial Group and the Georgia Association of Manufacturers (“GAM”) signed the Stipulation on June 17 and June 21, 2022, respectively. The Georgia Coalition of Local Governments signed the Stipulation on July 13, 2022. The Company’s rebuttal witnesses testified in support of the Stipulation.

On July 7, 2022 briefs and/or proposed orders were filed by parties in the case.

On July 21, 2022 during the Administrative Session, several Commissioners made motions to amend the Stipulation.

NON-SIGNING PARTIES' POSITIONS

Concerned Ratepayers of Georgia

Concerned Ratepayers of Georgia urged the Commission to reject the stipulated agreement because it will not effectively control costs.

Cypress Creek Renewables

Cypress Creek Renewables recommended hearing from interested parties in this proceeding regarding the role community solar can play in the state's energy mix. In developing the Request for Proposal ("RFP"), Cypress Creek recommended that Georgia Power and the Commission consider that Long-Term Avoided Cost does not accurately reflect all the benefits distributed generation ("DG") sited renewables provide to the grid. The benefits provided by DG-sited renewables, for which they should be compensated, include avoided energy and capacity costs, avoided transmission and distribution infrastructure investment, and price suppression in the form of lower energy and capacity prices.

Cypress Creek further recommended that any RFP should consider the benefits that DG-sited renewables can provide, such as direct community benefits and project siting to best address grid constraints or capacity availability. A community solar framework is better positioned to account for such benefits as well as others that are not possible through a utility power purchase agreement ("PPA") offtake framework. Additional benefits possible via a community solar structure include capacity carve-outs for low to moderate income ("LMI") subscribers, an electricity bill discount for LMI subscribers that is required or rewarded via RFP points, workforce training programs, and others.

Cypress Creek also recommended that the RFP include project maturity requirements for participation. Without such requirements, there is a risk that projects selected into the program encounter a "fatal flaw" through further development and engineering that render them inviable and results in the projects not being built.

Georgia Center for Energy Solutions

Georgia Center for Energy Solutions recommended that the Commission require the Company to produce a new IRP as Georgia Center for Energy Solutions does not see the Company's filing compliant with applicable Georgia Law.

Georgia Large Scale Solar Association and Advanced Power Alliance

Georgia Large Scale Solar Association and Advanced Power Alliance recommended that the Stipulation should be adopted with the following changes: "1) The Company shall prioritize North/South Transmission improvements needed so that solar energy generated in South Georgia can be delivered to North Georgia. 2) The total number of Utility Scale MWs be increased by 900 MWs to 3,000 total MWs. 3) 400 MWs of Competitively bid, battery energy storage systems ("BESS") be included in the final Commission Order. 4) Staff shall cause an independent transmission consultant to be retained (with scope to be determined by Staff) to review constraints in the Southern part of the state and recommend measures including grid enhancing technologies to quickly and affordably increase transmission capability to load in the Northern part of the state."

Georgia Solar Energy Industries Association, Solar Energy Association, and Vote Solar

Georgia Solar Energy Industries Association ("GASEIA"), the Solar Energy Industries Association ("SEIA"), and Vote Solar proposed several modifications to the stipulation. First, GASEIA, SEIA, and Vote Solar proposed that the Commission direct the Company to offer uncapped Renewable Non-Renewable ("RNR") monthly netting for rooftop solar. GASEIA, SEIA, and Vote Solar also proposed that the Commission direct the Company and Staff to convene a DG Working Group prior to each DG RFP. They suggested that Georgia Power work with industry stakeholders to improve the DG solar procurement process such that the full amount of resources approved by the Commission will be procured. GASEIA, SEIA, and Vote Solar also proposed that the Commission delay the additional sum for DG resources until such time that the Commission can review what modification have been made by the Company to its procurement process. GASEIA, SEIA, and Vote Solar proposed that the Commission increase new renewable

procurements to 4,000 MW which would be made up of 3,600-AC MW utility scale and 400-AC MW of DG.

GASEIA, SEIA, and Vote Solar proposed that the Commission require the Company to offer a value for RECs in Renewable RFPs that is consistent with market prices for the Company's REC sales. Their position is that the value attributed to RECs has been inconsistent across the Company's renewable programs. GASEIA, SEIA, and Vote Solar also proposed that the Commission deny the Company's request for a monopoly DER customer program. GASEIA, SEIA, and Vote Solar also proposed that the Commission allow the Company to propose a 2,000 MW competitive storage procurement and that the addition of battery storage resources would provide benefits for customers from improved grid reliability, reduced renewable integration costs, and reduced transmission congestion. They stated that the Company has not demonstrated the need to develop and own all such storage resources, and that competitive procurement is likely to result in the same resource functionality at a lower cost than the Company's self-build proposal.

Resource Supply Management

Resource Supply Management recommended the following: 1) The Commission should not approve Georgia Power's proposed shutdown of existing generating units and if Georgia Power closes them, no recovery should be allowed. 2) The Commission should minimize DSM as much as possible and press for the elimination of the entire program. 3) The Commission should recognize the entire Integrated Resource Planning procedure is a waste of time and should therefore urge its elimination. 4) The Commission should order Georgia Power not to limit existing customer loads to demand management incentives.

Restore Chattooga Gorge Coalition

Restore Chattooga Gorge Coalition recommended that the Company should not be allowed to proceed further with its modernization efforts as to Plant Tugalo without first properly applying for an amended Certificate from this Commission. Such application must include a thorough and detailed need, cost, benefit, and alternatives analysis, consideration of potential decommissioning of the Tugalo Facility and restoration of the last 4 miles of the Chattooga National Wild and Scenic

River. Restore Chattooga Gorge Coalition recommended further that, for the protection of the interests of Georgia Power ratepayers, the Commission should require that such an analysis be formed before the Company is allowed to incur the very substantial costs which it estimates in connection with the Tugalo modernization.

Sierra Club

The Sierra Club recommended that, to satisfy the public interest, the Commission should approve the fossil retirements in the proposed stipulation, along with approving the retirements of the Bowen coal units, disapprove the Company's Environmental Compliance Strategy ("ECS") where it contemplates closure of Coal Combustion Residuals ("CCR") impoundments in place, direct Georgia Power to expand its portfolio of renewable resources, and direct the Company to file a special EV planning docket and incorporate EV charging infrastructure need planning in future IRPs.

Southern Alliance for Clean Energy and Southface Energy Institute

Southern Alliance for Clean Energy and Southface Energy Institute recommended that the Commission do the following: 1) Increase Georgia Power's proposed DSM annual efficiency targets proportionately to save customers at least half a billion dollars of net benefits over three years, using the Program Administrator Cost Test ("PACT"). 2) Reinstate the RNR monthly netting program with no participation cap. 3) Establish a Transmission Planning Collaborative that includes opportunities for meaningful engagement by interested stakeholders to enable consideration of economic transmission and distribution system investments and alternatives. 4) Defer a decision on the PPA for Plant Dahlberg Units 1, 3 and 5 until the 2025 IRP. The parties further recommended that if the Commission orders Georgia Power to maintain Plant Bowen Units 1 & 2 beyond 2027, additional PPAs should be rejected because that incremental capacity will not be necessary.

Southern Renewable Energy Association

Southern Renewable Energy Association recommended that the Commission do the following:

1) Amend Stipulation provision 9 by striking the first sentence, and replacing it with, “The Company shall be required to file an Annual Transmission Report regarding all proposed and potential transmission projects. The Report shall include an evaluation of all proposed costs and benefits as described in the FERC Docket No. RM21-17.”

2) Amend Stipulation provision 10 in the second sentence after “Commission Staff” by adding “and other interested stakeholders”. (Stipulation 10 would read: “...The Company will work with Commission Staff and other interested stakeholders to develop a process that facilitates the development of renewable resources in north Georgia...”)

3) Strike Stipulation provision 12, and replace it with, “The Company will be allowed to issue an RFP to competitively solicit up to 1,000 MWs of energy storage system (“ESS”) projects by 2030. The ESS RFP will allow new stand-alone ESS projects and ESS projects added to existing renewable energy sites or new renewable energy sites, and proposals may allow third-party ownership and/or build-own-transfer options.”

4) Strike Stipulation provision 18. (The newly proposed all-source Capacity RFP)

5) Amend Stipulation provision or paragraph 19 by:

- a) Striking each reference of "2,100" and replacing with "4,000"
- b) Striking "1,050" and replacing with "2,000,"
- c) Striking "2026 or 2027" and replacing with "2025 to 2027," and
- d) Striking "2028 or 2029" and replacing with "2027 to 2029."

6) Amend Stipulation provision 21 by adding “and other interested parties” after “The Company and Staff...”

7) Amend Stipulation provision 30 by striking the word “the renewable.”

8) Amend Stipulation provision 35 to add: “The Company shall evaluate wind turbine generator options up to 8 MWs.”

9) Create a new Order that states, “The Company shall model, evaluate, analysis, and/or otherwise plan for the Southeastern Energy Exchange Market in all future IRPs.”

10) Create a new Order that states, “The Company shall proactively plan for the transmission system to add at least 6 GW of renewable resources by 2030, and at least 9 gigawatt (“GW”) by 2035, while also maximizing net benefits from improved reliability, economics, and the ability to import and export power with neighboring Balancing Authorities.”

11) Create a new Order that states, “The Company shall conduct a Locational Marginal Price study and file such as a report prior to the 2025 IRP. If the Company is unable or unwilling to conduct such a study, the Commission will request assistance from organizations that have the capability to perform such a study.”

12) Create a new Order that states, “The Commission will hire an independent transmission consultant to provide a report by 2024 that proactively plans the transmission system to add 6 GW of renewables by 2030, and 9 GW by 2035, while also maximizing net benefits from improved reliability, economics, and the ability to import and export power with neighboring Balancing Authorities. The Company will work with the Commission, Staff, stakeholders, and the hired consultant to provide the data and any other information necessary to complete the report.”

13) Create a new Order that states, “The Company shall plan its transmission system on a 20-year time horizon, or longer, and include interregional transmission and multi-value planning principles that attempt to maximize reliability, economic, and generator interconnection benefits.”

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1.

To ensure that the competing interests of all parties were properly considered, the Commission carefully considered the Stipulation, Attachment A, entered into by the Stipulating Parties of record including the testimony given and the various exhibits entered by all of the parties. The Commission finds and concludes that the terms of the Stipulation are supported by the evidence in the record and is a fair and reasonable resolution which appropriately strikes the balance of the interest of all Parties while ensuring system reliability and providing energy at a reasonable cost. Therefore, the Commission approves and adopts the Stipulation as detailed below.

2.

The Commission finds and concludes that the provisions of the agreement shall have full force and effect as stated in the Stipulation and concludes that all other recommendations and requests from the Non-signing parties are denied.

3.

The Commission finds and concludes that the 2022 IRP is approved as filed unless amended by this Stipulation.

4.

The Commission finds and concludes that Plant Wansley Units 1-2, Plant Wansley Unit 5A, and Plant Boulevard Unit 1 shall be decertified and retired by August 31, 2022. With regard to these coal units, Staff and the Company agreed that the economics of those units are challenged, and that decertification and retirement is appropriate, considering the availability of reasonably available low-cost replacement capacity, and the possibility of future environmental legislation.

5.

The Commission finds and concludes that Plant Scherer Unit 3, Plant Gaston Units 1-4, and Plant Gaston Unit A shall be decertified and retired by December 31, 2028. Staff and the Company agreed that due to the economics of the units it was in the best interest of the ratepayers to decertify and retire these units by December 31, 2028.

6.

The retirement of Bowen Units 1-2 is a close call, economically. Stipulating Parties agreed that the decision to retire Bowen Units 1-2, and the retirement date, are policy decisions for the Commission and shall be determined by a Commissioner vote.

7.

The Stipulation provides that the Company's plan to install Effluent Limitation Guidelines ("ELG") controls for Plant Bowen Units 3-4 (and, subject to the retirement decision outlined in Paragraph 4 of the Supply Side Plan Stipulation, Plant Bowen Units 1-2), and Plant Scherer Units 1-2 is approved as part of the Company's Environmental Compliance Strategy.

The Company proposed continuing to operate Bowen 3-4 beyond 2028 for transmission reliability reasons. PIA Staff's position is that it is reasonable for the Company to continue to operate Bowen 3-4 beyond 2028 for transmission reliability reasons. Because it is reasonable to operate the units beyond 2028, ELG upgrades selected by the Company would have to be implemented by 2025 in compliance with EPA regulations.

8.

The Commission grants the certificate of public convenience and necessity for the long-term PPAs for Plant Wansley Unit 7, Plant Dahlberg Units 2 & 6, Plant Harris Unit 2, Plant Dahlberg Units 1, 3 & 5, Plant Monroe Units 1-2, and Plant Dahlberg Units 8-10, as requested in this case. With the exception of Plant Bowen Units 1-2, Staff's and the Company's Action Plans aligned with respect to coal retirements and approval of PPAs. Staff and the Company agreed that the PPA resources that the Company proposed to acquire would be able to fill the capacity need at the time of plant retirements.

9.

The additional sum for the procurement of the long-term capacity PPAs approved in Paragraph 6 of the Supply-Side Plan Stipulation will be set at \$3/kW-yr. Such an additional sum takes into account the considerations set forth in O.C.G.A. § 46-3A-8, appropriately balances the interests of the Company and its customers and provides an incentive to the Company which the Commission finds to be reasonable.

10.

The transmission projects necessary to accommodate the retirements approved in the 2022 IRP are approved. This approval includes the transmission projects (or their equivalent solutions) identified in the Selected Supporting Information section of Technical Appendix Volume 1. The Company provided the 10-year transmission plan and several other studies including the Operating Studies, Loss Studies, System Interface Studies, and Optimal Generation Siting Studies to identify and addresses various needs on the transmission system. Staff reviewed the Company's ten-year transmission plan, testified the projects meet NERC TPL requirements, and supports the recommendations of the Company regarding the proposed retirements.

11.

The Company will develop and file an annual transmission update report with the status of each transmission project in the Company's Selected Supporting Information contained within Technical Appendix Volume 1 and the Unit Retirement Study contained within Technical Appendix Volume 2 of the 2022 IRP. The report will be filed on or before February 28 of each year and will include the schedule, status and budget for each active and future transmission project. This type of transparency in transmission planning will facilitate better decision-making compared to the three-year look that the Commission currently receives in the IRP filing.

12.

The Company is approved to proceed with the North Georgia Reliability Plan as defined in Chapter 12 of the 2022 IRP except for projects from the Utility Scale RFP being limited to projects sited in north Georgia. The Company will work with Commission Staff to develop a process that facilitates the development of renewable resources in north Georgia. The Company testified that the North Georgia Reliability Plan will allow it to transition its fleet and expand renewable resource growth in a reliable and economic manner and develop the generation supply system and the transmission system as a whole and in parallel. PIA Staff testified that, although a specific set of facilities that would make up North Georgia Reliability Plan was not proposed,

construction of transmission infrastructure due to the planned retirement of Plant Bowen Units 1-4 is critical to the ability to serve the Company's load requirements.

13.

The Stipulation provides that PIA Staff reserves the right to challenge the timing of transmission capital investments for the years 2023 through 2025 in the 2022 rate case. The Company's 2022 rate case was filed on June 24, 2022, prior to the date of this order, with assumptions that may not be accurate depending on the Commission's decision in this docket. The Commission finds and concludes that it is reasonable for PIA Staff to reserve the right to respond appropriately to Georgia Power's rate case filing.

14.

The Stipulating parties agreed that the Company's request to develop, own, and operate 1,000 MW of ESS projects by 2030 is not approved in this IRP. While the Stipulating Parties acknowledge the potential value of ESS to the reliability of the electric system, the costs of ESS should be taken into account relative to any benefits provided.

The Commission finds and concludes that the settlement balances the Company's testimony, that adding ESS will help ensure reliability for customers as renewable penetration increases, with PIA Staff's position that the full program was premature, and that consideration of market-driven procurement and ownership of the resources could be more economic.

15.

The Company is provisionally authorized to develop, own, and operate the McGrau Ford Battery Facility ("McGrau Ford Project"). The Company will be required to provide the final McGrau Ford Engineering Procurement and Construction ("EPC") agreement (or agreements if more than one) to the Commission prior to undertaking procurement for or construction of the McGrau Ford Project. Following the Company's provision of the EPC agreement to the

Commission, the Commission will determine whether to proceed with the McGrau Ford Project and provide a deemed certified amount for the McGrau Ford Project. If the Company exceeds the deemed certified amount, the Company has the burden of showing that such costs were prudently incurred. The Company will also file quarterly construction monitoring reports from the date construction begins through the date of commercial operation.

The Commission finds and concludes this provision of the settlement provides an avenue for the McGrau Ford Project to be completed with a more complete record and assurance of economic benefits, as requested by PIA Staff in its testimony.

16.

In the absence of a Commission approved winter target reserve margin (“TRM”), and because resource additions are not anticipated during the 3-year IRP period using either the PIA Staff’s proposed 24.5% or the Company’s proposed 26%, the Stipulating Parties agreed that the Company will continue to use the System winter TRM of 26% for seasonal planning purposes until such time as a winter TRM is agreed to between PIA Staff and the Company and approved by the Commission. There is no requirement for the Commission to act upon the winter TRM request at this time. The Company may propose resource additions in the next IRP, if needed, to meet winter TRM, and the Commission can determine at that time the appropriate winter TRM and whether such additional capacity is needed. Use of the 26% winter TRM for planning purposes is not an endorsement by the Stipulating Parties of that TRM, and no Stipulating Party is foreclosed from proposing an alternative winter TRM in a future case.

The Commission finds and concludes this provision, and its justification, to be appropriate. No evidence in the record supports the need to add capacity resources prior to the 2025 IRP in order to meet the proposed target reserve margins.

17.

The Stipulating Parties agreed to the approval of the Company's ECS as updated in the 2022 IRP. This includes specific approval of the updates to the Company's plans to address CCR at the Company's ash ponds and landfills. The Stipulating Parties acknowledged that projected CCR compliance costs have been reviewed in this case, that the Commission is not approving any costs, and that it is unnecessary for the Commission to approve a specific budget for CCR compliance in this IRP proceeding. The Stipulating Parties agreed that the Company will seek recovery of such costs in its 2022 base rate case. PIA Staff reserved the right to challenge the Company's request for recovery in the 2022 base rate case, including, but not limited to, the amount to be recovered as reasonable and prudent, the period over which costs are recovered and the method by which such costs are recovered. The Company will continue to provide semi-annual reports to the Commission. The Company will also provide notice to the Commission within 30 days of any determination by the Environmental Protection Division that would alter the Company's current plan from closing certain ash ponds in place. Additionally, the Company will continue to file the ECS annually with the Commission no later than March 31st of each year. The Commission finds and concludes that the IRP proceeding is the appropriate forum for the Commission to consider approval of the Company's ECS and is not the appropriate forum to approve costs associated with the ECS.

The Company filed extensive testimony detailing its proposed ECS strategy and sponsored a witness panel to defend its strategy. PIA Staff testified that the IRP is the appropriate proceeding for Georgia Power to seek approval of its ECS strategy. The Commission finds that the ECS Strategy is reasonable, and that the costs will be reviewed in an appropriate future docket.

18.

The Stipulation provides that once the Company's CCR beneficial reuse RFP process has been completed, the Company will file a final report on the results of the RFP with the Commission. The report will include updates, if needed, to the Company's cost benefit analysis that provides economic justification of the Company's beneficial reuse plan. PIA Staff presented testimony that the Company's beneficial use proposal could result in net overall cost increases to

ratepayers. This provision of the Stipulation provides a mechanism to address PIA Staff's concern over whether the Company's proposed capital investments in ash processing infrastructure and estimated savings are realistic and will materialize sufficiently to produce net cost savings.

The Commission finds and concludes that such a filing will allow for better decision-making and a more transparent process.

19.

Paragraph 17 of the Supply Side Plan Stipulation provides as follows:

The detailed cost information that supports the measures taken to comply with the existing government-imposed environmental mandates necessary for the Company to implement its ECS as presented in Technical Appendix Volume 2 and Environmental Compliance Cost Recovery ("ECCR") and CCR ARO tables in the Selected Supporting Information section of Technical Appendix Volume 1 of the 2022 IRP, as supplemented through data requests, have been reviewed in this proceeding and are acknowledged. Recovery of ECS plan costs will be determined by the Commission in a future rate case. PIA Staff reserves the right to challenge the Company's request for recovery of ECS plan costs in the 2022 base rate case, including, but not limited to, the amount to be recovered as reasonable and prudent, the period over which costs are recovered and the method by which they are recovered.

The Commission finds and concludes that the detailed cost information supports the measures necessary for the Company to implement its ECS, but the Commission does not approve any specific costs.

20.

The Stipulation requires the Company to conduct an all-source RFP for capacity needed in the 2029 – 2031 period to address the expiration of capacity PPAs during 2029 – 2031 and any generation retirements. Specific RFP guidelines, including resource eligibility requirements, will be approved by the Commission in accordance with the Commission's RFP process.

Both PIA Staff and the Company presented testimony that their respective analyses indicate that the Company will have a resource need in the 2029-2031 time-period even with the approval of resources sought in this IRP. The Commission finds that, given the long lead time to build new capacity, the Company should initiate an all-source RFP for the Company's need for the 2029-2031 timeframe.

21.

Paragraph 19 of the Supply Side Plan Stipulation provides as follows:

The Company shall procure 2,100 MW alternating current ("AC") of new utility scale renewable resources, which are defined as projects greater than 6 MW AC in size. The Company will procure these resources for Commercial and Industrial customer subscriptions through the Clean and Renewable Energy Subscription ("CARES") Program through the carveout MW amounts as proposed in the Company's filing. Final program and tariff design for individual CARES carveouts will be finalized after the 2022 IRP through negotiations with members of the Commercial Group, members of the Georgia Association of Manufacturers, The Georgia Coalition of Local Governments, and Commission Staff. The Utility Scale procurement will take place through two separate RFP's. The first RFP is expected to be issued in 2023 and will target 1,050 MW of renewable resources with proposed commercial operation dates of 2026 or 2027. A second RFP is expected to be issued in 2025, seeking to procure the remaining MW needed to reach the 2,100 MW target procurement, with proposed commercial operation dates of 2028 or 2029. Any resources not fully subscribed through the CARES Program will serve all retail customers.

The following will be included in the fuel clause and recovered through the Fuel Cost Recovery Mechanism ("FCR"): (i) all revenues collected through the CARES Program, with the exception of the additional sum as described in Paragraph 23, and (ii) all appropriate costs that are not recovered elsewhere by the Company and are incurred in connection with the procurement of the aforementioned resources for subscription in the CARES Program. CARES Program costs and revenues which are to be included in FCR include but are not limited to the following: (i) the costs to

implement and administer the CARES Program, (ii) the bid fees collected in connection with the CARES Program, the fees collected from subscribing customers, and (iii) the PPA that are executed to supply the CARES Program, including any payments for PPAs made by participants.

The Commission finds that a continuation of measured procurement of competitively bid renewable energy projects benefit Georgia Power customers and provide fuel diversity to the Company's generation mix.

22.

Under the Stipulation, the Company's evaluation and selection of renewable resources based on the best cost provided to customers is approved for future renewable procurements. The Stipulation further provides that the Company will work with PIA Staff and the Independent Evaluator ("IE") to determine the exact criteria and methods of evaluating, ranking, and selecting bids through the aforementioned best cost methodology as part of the Commission-approved RFP process.

The Commission finds that procuring renewable resources provides benefits to Georgia Power customers and that such projects, individually, do not have to be below the Company's avoided costs. A portfolio of renewable projects that collectively provide benefits to ratepayers may be developed with Commission approval.

23.

The Stipulation provides that for future Utility Scale renewable RFPs, all renewable projects, both with and without storage devices, will be required to be operated on AGC, and the Company will consider new use cases that flexibly utilize the coupled energy storage devices with AGC control. The Company and Staff shall determine the appropriate methodology to value such resources before the next Utility Scale renewable RFP is released.

The Commission finds that AGC is beneficial in balancing the electrical needs of the Company's system. Requiring AGC for renewable projects that are combined with storage will increase the Company's operational capability to increase service reliability and allow solar projects that are coupled with storage to provide a greater benefit to the system.

24.

The Stipulation provides that the Company shall issue an RFP to procure energy from up to 200 MW AC of “DG solar resources, which are defined as solar resources greater than 250 kW but not more than 6 MW AC in size. The Stipulation further provides that Georgia Power will do so through two solicitation periods, each seeking 100 MW AC of DG solar resources. The first solicitation is expected to occur in 2023 with proposed commercial operation dates of 2024. The second solicitation is expected to occur in 2024 with a proposed commercial operation dates of 2025. The projects will be procured using the Company’s best cost procurement approach which will be agreed upon by the Company and PIA Staff and approved by the Commission during the RFP process. Contract terms for resulting DG projects will be for up to 35 years. DG projects must interconnect to Georgia Power’s distribution system. Bid and winners’ fees will be set to recover the total cost of procurement for the RFP solicitations. All revenues collected, and all appropriate costs not recovered elsewhere by the Company, which are incurred in connection with the procurement of the aforementioned DG resources shall be included in the fuel clause and recovered through the FCR.

The Commission finds and concludes that the record supports the procurement of up to 200 MW AC of distributed generation solar resources. The timing and best cost procurement approach are reasonable and supported by the record.

25.

The Stipulation provides that the additional sum for both the utility scale resources procured pursuant to Paragraph 19 of the Supply Side Plan Stipulation and the DG resources in Paragraph 22 of the Supply Side Plan Stipulation shall be set at a levelized additional sum of \$4.00/kW-yr. The Stipulation states that adoption of this additional sum is not precedent setting,

and no Stipulating Party is foreclosed from proposing an alternative additional sum in a future renewable procurement.

The Commission finds and concludes that such an additional sum takes into account the considerations set forth in O.C.G.A. § 46-3A-9, appropriately balances the interests of the Company and its customers and provides an incentive to the Company which the Commission finds to be reasonable.

26.

The Stipulation provides that the Hosting Capacity Tool is approved, subject to specific modifications detailed in the Stipulation. For instance, the Hosting Capacity Tool will be made available year-round pursuant to a registration process that requires the signing of a confidentiality and non-disclosure agreement. Also, the Company will work to update the Hosting Capacity Tool semi-annually, but initial efforts will be focused on an annual update for the Company's more than 2,300 feeders. The Stipulation also provides that the hosting capacity analysis must reflect the available solar capacity based on Minimum Daytime Loading or Coincident Peak limitations at the breaker, but is not intended to be a replacement for the Company's required interconnection study process. Administrative costs associated with the Hosting Capacity Tool will be recovered through the FCR.

The Company testified that the hosting capacity tool will be a Geographic Information System ("GIS") based graphical interface providing a snapshot of distribution circuit available capacity. The Commission finds that this tool will improve interconnection guidance for DG projects.

27.

The Company and Staff will initiate a review of Georgia Power's DG interconnection process prior to the next DG RFP to consider modifications to the process and to establish a distribution interconnection cost matrix.

The Commission finds and concludes that this review is a reasonable manner to improve the current DG interconnection process.

28.

The Stipulating Parties agreed to the approval of the Existing Resource Retail REC Retirement (“R3”) Program. The Company agreed to file quarterly participation reports that provide the amount of MW and the number of customers that have subscribed to the R3 program.

The Commission finds that the R3 program will help to meet the needs of large volume customers

29.

The Commission finds and concludes that the Community Solar Program has remained under-subscribed and should be updated to make it more accessible. The Company’s Community Solar Program proposed in the 2022 IRP is approved except for the Company’s requests to increase the residential block charge to \$27.99 and to set the commercial option at \$29.99/month, which will be considered in the 2022 Rate Case. This approval includes the Income-Qualified Community Solar Pilot. The Company agreed to file quarterly participation reports that provide the number of customers and subscription blocks that have been subscribed to for each portion of the Community Solar program.

30.

The Company’s Flex REC Program and modification to the Simple Solar Program proposed in the 2022 IRP are approved except for revisions to the rates for this program, which will be considered in the Company’s 2022 Rate Case. The Company agreed to file with the

Commission, for informational purposes, the negotiated contracts for the Economic Development Flex REC option once they are executed.

The Commission finds and concludes that this update to the Simple Solar Program will better meet the needs of large volume customers, while continuing to provide a simple option for residential and commercial customers to support solar energy

31.

The Commission finds that the costs and benefits of renewable resources continue to develop as the penetration of solar grows on the system. The Renewable Cost Benefit Framework (“RCB”) and the Renewable Integration Study (“RIS”) filed in this case are approved for future renewable procurements with the three following modifications. First, the Stipulating Parties agreed to use the incremental renewable integration costs approach when determining the renewable integration costs for future renewable procurements until a future study is completed and approved. This assumption will be \$1.93/MWh for solar resources up to the 2,300 MW of new renewables approved in this IRP. Staff and the Company will meet after the 2022 IRP concludes to address the other methodological differences discussed in Section 4 of Staff’s direct testimony and then file a report, including any proposed methodology changes by either party resulting from the discussions, with the Commission for approval by June 30, 2023. In addition, the Company and Staff will discuss Staff’s suggestion to modify the Deferred Generation Capacity Cost component to use the economic carrying costs (“ECC”) of a combined cycle unit instead of a combustion turbine. Second, for IRP-approved procurements for which RECs are conveyed, the Stipulating Parties agreed to include a REC component within the RCB Framework. Staff and the Company will meet after the 2022 IRP concludes to determine how to appropriately value the REC component and then bring the method to the Commission for approval. Third, the Stipulating Parties also agreed to use the effective load carrying capability (“ELCC”) method when determining capacity value for procurement activities. The Stipulating Parties agreed that resolution of this issue does not limit the positions that either Party can take regarding the RCB and RIS costs in a future proceeding where modifications to the RCB and RIS may be considered.

32.

PIA Staff's witnesses recommended that the Company use the ELCC method going forward. Trans., p. 405. The Commission finds and concludes that ELCC is the industry standard and provides a consistent methodology that applies to all generators within a project type, and appropriately evaluates the contribution of renewable and energy limited resources to the reliability of the system. Tr. 418. In the next IRP, and any upcoming RFPs issued before the next IRP, the Company agrees to use the ELCC methodology to determine the renewable resource capacity values.

33.

The Stipulating Parties agreed that Blocks 2-4 and Blocks 5&6 wholesale capacity offer should be rejected by the Commission. Staff witnesses testified that the offer was uneconomic. Tr. 31. The Commission finds and concludes that the offer should be rejected. The offer by the Company, and the rejection by the Commission fulfills the Company's requirements under Docket No. 26550 to offer this capacity to the retail jurisdiction. The Company may, at its discretion, offer such capacity within the wholesale market or to the retail jurisdiction in a future capacity solicitation or through other permissible avenues. In addition, the Commission deems the Company's obligations to make any wholesale offer under Docket No. 26550 consisting of Plant Gaston Units 1-4 and A and Plant Scherer Unit 3 satisfied, thereby releasing the Company from any further requirement to offer wholesale capacity from these units to the retail jurisdiction prior to any remarketing of that capacity.

34.

The Stipulating Parties agreed to approve the modernization of Plant Sinclair and Plant Burton. The proposal to include Plant North Highlands in the Company's hydro-electric modernization plan is not approved at this time. Plant Sinclair and Plant Burton shall be added to the Company's semi-annual reporting on its hydro modernization efforts. All future hydro modernization requests will include a cost-benefit analysis and economic comparison of the alternatives to modernization. The Company will provide such an analysis for Plant Burton in its

2025 IRP filing. The parties disagreed in testimony on the modernization efforts and the Commission finds and concludes that this more limited plan is a reasonable compromise.

35.

PIA Staff and Company witnesses differed in their positions on the DER Customer Program proposed to be implemented through the Demand Response Credit Tariff (“DRC-1”) and the Resilience Asset Service Tariff (“RAST-1”). This program will be approved on a pilot basis with an overall cap of 250 MW. The tariffs and associated contract terms and conditions shall be designed in a manner that will eliminate, to the extent reasonably possible, any potential that non-participating customers will be harmed. Within four months following the issuance of the Commission’s Order approving this Stipulation, the Company will collaborate with the Commercial Group and Staff on the development of these elements in the DER pilot program tariffs. Following this collaboration, the Company shall file the DRC-1 and RAST-1 tariffs for Commission approval. The Stipulating Parties preserve their right to argue for modifications to the tariffs when they are filed for approval. The Commission finds that approval of a pilot program will provide parties the opportunity to examine and compare any benefits or detriments of the program before deciding whether to make the program permanent.

36.

The DER local reliability and constraints pilot projects at Mansfield, Savannah, Moreland Way and Lake Sinclair are approved. The Company shall file semi-annual update reports for the first five years of the pilot projects. The Commission finds that approval of this more limited pilot program will still provide sufficient information on the potential of the program, while costing ratepayers less than the Company’s original proposal.

37.

The Stipulating Parties agreed that capital and O&M costs for the Tall Wind demonstration project (but not yet the recovery of such costs), as set out in the Selected Supporting Information section of Technical Appendix Volume 1, should be approved. As part of this provision, the Company agreed that it will notice the Commission should it determine that the budget for the Tall

Wind project will exceed the budgeted amount presented in the 2022 IRP and that it will file semi-annual update reports through the life of the demonstration project.

In the Company's 2016 IRP, the Commission adopted a stipulation that approved the Company's High Wind Study. 2016 IRP Order, Attachment Para. 10. Pursuant to the Stipulation, Georgia Power agreed to file quarterly reports on the status of High Wind Study. *Id.* The Company presented testimony that its study results indicate that "wind resources in Georgia could be economically developed at hub heights of 120 meters or higher." Main Panel Testimony at 51. Consistent with these study results, the Company proposed development of two wind turbines, up to four MW each, with hub heights between 140 and 165 meters. *Id.*

Georgia Power stated that this project is designed to demonstrate the economic and technical feasibility of tall wind in Georgia as well as validating the in-field construction techniques required for the spiral weld technology at higher hub heights. Pre-filed Testimony of Barber and Cook at 74. Staff agreed that the project could be beneficial to Georgia ratepayers, and recommended that the associated costs should be shared with the other Southern Company Operating Companies. *Id.* at 75. Further, Staff recommended that the Commission approval be required prior to the Company exceeding the budgeted amount for this project. *Id.*

As set forth in Paragraph 74 below, the Commission does not approve this provision of the Stipulation.

38.

The Stipulation provides that the integrated Hydrogen Microgrid pilot project as set out in Selected Supporting Information section of Technical Appendix Volume 1 should be approved and that the Company will file quarterly update reports through the life of the pilot project.

The Company submitted testimony that the "hydrogen microgrid concept has the potential to serve as a key enabler for zero-emission transportation while developing infrastructure that will serve as a distributed energy resource, create fuel flexibility, create grid resiliency, and could be

deployed incrementally without the need for system-wide infrastructure changes.” Pre-filed Testimony of Berry and Mitchell Testimony at 34. The Commission finds and concludes that this testimony is credible. The Commission further finds that reducing emissions and enhancing fuel flexibility and grid resiliency are beneficial to Georgia Power customers. Therefore, approval of the Hydrogen Microgrid pilot project is appropriate.

39.

Paragraph 37 of the Supply Side Plan Stipulation provided as follows:

The remaining net book values of Plant Wansley Units 1-2, Plant Wansley Unit 5A, and Plant Boulevard Unit 1 shall be reclassified as regulatory assets and the Company shall provide for amortization expense at a rate equal to the unit’s depreciation rate approved in the Company’s 2019 base rate case. The timing of recovery of the remaining balances of these regulatory assets as of December 31, 2022, will be deferred for consideration in the Company’s 2022 base rate case. The Stipulating Parties reserve the right to make any arguments, including policy and legal arguments, on the recovery mechanism and appropriate period in which the costs should be recovered. Parties may argue their respective positions on that issue in the 2022 base rate case.

Any unusable materials and supplies inventory balance remaining at the date of each unit retirement shall be reclassified as a regulatory asset and the timing of recovery deferred for consideration in the Company’s 2022 base rate case. The Stipulating Parties reserved the right to make any arguments, including policy and legal arguments, on the recovery mechanism and appropriate period in which the costs should be recovered if applicable. Parties may argue their respective positions on that issue in the 2022 base rate case.

Under this Stipulation, Plant Wansley Units 1-2, Plant Wansley Unit 5A and Plant Boulevard Unit 1 are to be retired by August 31, 2022. It is consistent with the testimony of the PIA Staff Panel, Trokey and Smith to reclassify the remaining net book values of generating units as regulatory assets upon retirement. The Stipulation’s treatment of unusable materials and

supplies inventory balance is consistent with the overall treatment of the retired units. The Commission finds and concludes that the reclassifications of regulatory assets and unusable materials and supplies inventory balance is reasonable. It is also consistent with the Commission's general practice and sound ratemaking policy to consider the timing of the recovery in the context of the Company's general rate case where the Commission will conduct a general review of the Company's earnings level.

40.

Because the remaining units that are decertified and retired pursuant to the final order issued in this IRP are projected to retire after 2025, the Stipulating Parties agreed that the remaining net book values and unusable materials and supplies inventory balances, if any, for those generating units retiring after 2025 approved in this case will be reclassified to regulatory asset accounts as of the units' retirement dates. The Stipulating Parties further agreed that the timing of recovery for the regulatory assets, if a balance remains, shall be decided in a future base rate case.

The regulatory treatment of generating units that are to be decertified and retired after 2025 is consistent with the principles established in the Stipulation for those units that will be retired as of August 31, 2022. That is, that the reclassification will occur as of the units' retirement dates and the timing of the recovery of any regulatory assets will be decided in a rate case. For the same reasons stated in paragraph 39 of this Order, the Commission finds and concludes that this paragraph of the stipulation is reasonable and consistent with sound ratemaking policy.

41.

The Stipulation provided that following each unit's dismantlement, any over or under recovered cost of removal balances shall be reviewed in a future base rate case. PIA Staff testified to concerns regarding the Company's estimates of the costs of removal/dismantlement for some generating units, and therefore recommended that no transfer of cost of removal or dismantlement cost estimates into a regulatory asset account be approved during the IRP.

The Commission finds and concludes that reviewing any over or under recovered cost of removal balances in a future base rate case is a reasonable approach that addresses PIA Staff’s concerns.

42.

The Stipulation provides that the capital and O&M costs the Company will incur for the subsequent license review for Plant Hatch Units 1-2 (but not yet the recovery of such costs) are approved as presented in this IRP. The current 60-year licenses for Plant Hatch Units 1 and 2 will expire in August 2034 and June 2038, respectively. Main Panel at 26. Georgia Power estimates the cost of a subsequent license renewal to be approximately \$28 million. *Id.* Georgia Power presented testimony that its “feasibility study concluded that Plant Hatch Units 1 and 2 could operate an additional 20 years and did not identify any unexpected or major required capital investments.” *Id.* Georgia Power testified further that continued operation of the units is economic. *Id.*

43.

Under the Stipulation, the Company agreed to update its Residential Consumer Survey “to collect more recent information regarding the end-use market saturation and incorporate as appropriate in the 2025 IRP.” The residential saturation survey is useful in understanding appliance ownership, age, size, and efficiency within the residential sector. The data from the survey informs the residential long-term energy sales forecasting model. Pre-filed Testimony of Thomas at 6. For its 2022 IRP forecast, Georgia Power used a 2016 survey. *Id.* PIA Staff recommended that the Commission direct the Company to update its Residential Consumer Survey every three years. *Id.* at 7. PIA Staff explained that primary data about appliance ownership in its territory informs Georgia Power as to whether trends in ownership diverge from the EIA information, which will allow the Company to adjust its load forecast accordingly. *Id.* The Commission finds and concludes that collecting updated consumer survey information has the potential to improve the Company’s load forecasts in future IRPs. For this reason, the Commission finds that this provision of the Stipulation is reasonable.

44.

The Company agreed to file with the 2025 IRP a forecast scenario of Georgia Power's Peak Demand and Energy forecast using weather normal data for the most recent 20 years. Weather normalization is the process of estimating what historical energy and peak demand would have been had normal, or typical, weather had occurred. Thomas at 8. The process is useful for understanding the underlying trends in historical loads. *Id.* The Commission finds that a 20-year fixed normal approach captures any trends that may be occurring better than a 41-year normal. *Id.* at 12. The 20-year approach also helps establish stability through maintaining a fixed normal assumption throughout the forecast horizon. *Id.*

45.

The Stipulation provides that Georgia Power will pay for any reasonably necessary specialized assistance to PIA Staff related to the ongoing review and analysis required by the agreement in an amount not to exceed \$500,000 annually and that the Company shall be entitled to recover the full amount of any costs charged to the utility.

The Commission finds and concludes that this provision is reasonable given the ongoing level of review required by the Commission and its Staff, and that this provision is authorized by O.C.G.A. § 46-2-33(a).

46.

The Company's DSM Certification is approved as filed with the following adjustments proposed by PIA Staff and agreed to by the Company.

47.

Paragraph 2 of the Demand Side Plan Stipulation states as follows:

The Company will include an additional sensitivity in its 2025 IRP development and resource optimization process. In this additional sensitivity case, DSM resources, including demand response and energy efficiency, will be allowed to compete head-to-head with supply-side options in the Company's IRP model as a selectable resource. This new sensitivity will replace the Aggressive Case scenario in the DSM Program Planning Process. The Commission will authorize the Company to recover the additional costs required to complete this new sensitivity through the DSM rider after review and approval by Commission Staff. To implement this change:

- a. Step 8 in the DSM Program Planning Process will be revised to state: "The Company will also produce an additional sensitivity in its 2025 IRP development and resource optimization process, where DSM is allowed to compete head-to-head with supply-side options in the Company's IRP model as a selectable resource."
- b. Step 9 in the DSM Program Planning Process will be revised to state: "The Company will use the difference in costs between the base case and the Proposed DSM change case configuration to determine the avoided generation cost impact of the DSM measures in the Proposed DSM change case. As the final step, the cost effectiveness tests mentioned in item 6 (above) will be calculated based on the inputs and adjustments from the system tools. Revenue impacts will be based on current rates and escalations based on the Company's financial projections adjusted for the DSM cost impacts. The avoided generation costs from the system tools and the avoided

Transmission and Distribution (“T&D”) revenue requirements as estimated by PRICEM will be used to calculate the benefits of the RIM, TRC and Program Administrator test for the Proposed DSM change case. The projected deadline for including new programs in the system planning process is October 1, 2024.

This provision of the Stipulation is supported by the record.

48.

The Stipulation provides that the Demand Side Management Working Group (“DSMWG”) shall continue in its current form and be involved in the development of future DSM programs in the same manner it has operated in past IRP cycles. The DSMWG has provided a forum for interested parties to engage with Staff and Company to improve current programs and design new programs and pilots and it is appropriate to continue.

49.

The Stipulation provides for the approval of the Company’s requests for decertification of the Residential Power Credit and Commercial Midstream Programs, approval of the certification of the HopeWorks Program, approval of the Company’s waiver request for Commission Rule 515-3-4-.04(4)(a)3 for the Thermostat Demand Response Program, and approval of the amended certificates for the Residential Behavioral, Residential Home Energy Improvement Program (“HEIP”), Residential Refrigerator Recycling, Residential Specialty Lighting, Residential Home Energy Efficiency Assistance, Commercial Custom, Commercial Prescriptive, Commercial Small Commercial Direct Install, and Commercial Behavioral Programs. The Commission finds these programs are reasonable and are approved. The Power Credit and Commercial Midstream programs are no longer cost effective for customers and therefore should be eliminated. The HopeWorks Program will serve senior income qualified customers who have been underserved by previous DSM offerings. The Company’s waiver request for the Thermostat Demand Response

Program allows for the program to provide demand benefits for customers without the burden of passing the economic screening that only takes into account energy savings and is therefore not an appropriate metric for this program. All amended certificates are updates for programs that have proven to provide benefits for customers in current programs.

50.

Under the Stipulation, the Company will pause the Commercial Behavioral Program, pending decertification, if the upcoming 2024 Evaluation, Measurement, and Verification (“EM&V”) does not show the program to be cost effective. The current Commercial Behavioral Program has not been cost effective for the first two years of its existence. As modeled by the Company, the program should be cost effective in the upcoming years as the program matures. Staff has concerns that the program may never provide the expected benefits for customers. The Commission further finds that this provision allows the program to be paused prior to the 2025 IRP in order to prevent spending on a program that is not delivering benefits to customers.

51.

The Commission finds and concludes that the Residential Investment to Save Energy (“RISE”) pilot provides benefits to customers and should continue for the 2023-2025 program cycle in its current form. The pilot is designed to serve income qualified customers that could not otherwise participate in DSM programs by covering the upfront costs of energy improvements and allows payback through a tariff on the participant’s bill.

52.

The Commission finds and concludes that ABT for the 2023-2025 program cycle as approved in the 2019 IRP will provide benefits to customers. The ABT provides a service to building owners that is otherwise unavailable and allows the building owner to better understand and manage the energy use in their buildings. The Commission further finds that the preapproved costs for the continuance of the ABT for the period of 2023-2025 shall be \$600,000.

53.

The Commission finds and concludes that expanding the HEIP to include the proposed Manufactured Homes Program, with the exception of “whole home replacement” will allow the program to serve homes that historically been underserved by the Company’s current DSM programs. The Commission further finds that customers living in manufactured homes often have significant energy burdens and thereby could greatly benefit from energy efficiency upgrades but may not have the resources to invest without the approval of this carve out for the HEIP program.

54.

The Stipulation provides that in order to implement the savings additions from Paragraph 8 of the DSM Stipulation, the DSM energy savings targets shall be adjusted using the Applied Energy Group (“AEG”) tool used by the Company in this case. By allowing AEG to model the additional savings, it will help ensure that the program is designed consistent with all other programs that are approved in this proceeding.

55.

The Commission finds and concludes that reducing the DSM program budget non-incentive costs for certified programs by a total of \$4 million over the three-year program cycle is in the best interest of customers. This reduction of non-incentive costs will bring the budget closer in line with historical spending averages and ensure that DSM programs remain cost effective.

56.

The Commission finds and concludes that it is appropriate to include a per building cap of \$75,000 for the Commercial Custom Program. The building cap will help ensure that more customers are able to participate by limiting the possibility that a single participant could use a significant portion of the Custom Program incentive budget.

57.

The Commission finds that it is reasonable and appropriate to continue the educational feature of the Company’s Demand Side Plan. Therefore, the Commission concludes that the education initiative, Learning Power, will continue with a \$4 million annual budget for 2023-2025.

58.

The Commission finds and concludes that the annual Residential and Commercial Energy Efficiency Consumer Awareness budgets of \$4.5 million and \$1.1 million, respectively for the period of 2023-2025 is appropriate. These amounts were agreed upon by PIA Staff and the Company and will allow the spending to remain at its current level.

59.

Under the Stipulation, the DSM pilot budget will be \$3 million per year. This amount shall be split evenly between the Residential and Commercial classes. The Stipulation requires the Company to seek Staff's input regarding any proposed pilots before they are implemented as well as throughout the pilot. This provision should enable Staff and the Company to understand each other's positions, work from the same information and come to agreements where possible regarding which pilots could be beneficial for future DSM programs.

60.

The Stipulation provides that the currently approved methodology for the DSM additional sum mechanism shall continue with an increase to 9.5% of shared savings. The Commission further finds that the additional sum shall continue to be based on net energy savings rather than gross energy savings as proposed by the Company. This methodology balances the benefits of the DSM programs with customers and the Company while providing an adequate incentive for the Company.

61.

The Stipulation provides that once the Company selects program implementers for its approved DSM programs and program plans are developed, that these plans shall be provided to PIA Staff for review and input prior to the implementation of the corresponding programs. It is appropriate that PIA Staff has the opportunity to review these plans prior to the implementation of the respective DSM Program. The Commission further finds that the Company shall provide PIA Staff with at least 15 days of review of the Final Program Plans.

62.

The Stipulation provides that the current DSM true-up process shall continue, including not allowing the rollover of unspent annual budget dollars or unrealized savings targets. This true-up process has been successful for several years and provides the necessary protection for customers that any unspent budget dollars will be refunded through the annual true-up process.

63.

The Stipulation provides that the three-year program EM&V cycle shall continue for the years 2023-2035. The EM&V process provides PIA Staff and Company valuable feedback for all programs. The timeline for research, filing of reports, and implementation of results the reports allows for proper oversight of the programs and provides sufficient time to determine what, if any, adjustments need to be made to the DSM programs for the next program cycle.

64.

The Stipulation provides that the 2021 and 2018 EM&V results shall be used as recommended by the independent program evaluators. The use of a mix of EM&V results is appropriate, as agreed to by PIA Staff, because certain findings from the 2021 EM&V Report were not valid due to Covid-19 limiting DSM participation during the evaluation timeframe.

65.

The Stipulation provides that for commercial lighting hours of use (“HOU”) the Company shall continue to use the AEG design tool’s results for energy savings for the current cycle. The Stipulation further states that the Company will conduct a commercial lighting HOU study in the 2024 EM&V process and will apply those results, as determined by the evaluator, for future programs. This is reasonable as the HOU study will determine current HOU for many different building types.

66.

The Stipulation provides that the Company shall evaluate income-qualified savings in a manner consistent with the remainder of the Residential sector to confirm whether this Net-To-Gross (“NTG”) assumption is appropriate. It is not appropriate to assume a 100% NTG without energy savings from this sector being evaluated. The Commission further finds that the Company shall work with Staff to determine whether values derived from the EM&V results should be used in future income qualified program planning.

67.

The Commission finds and concludes that it appropriate to continue the current policy to implement the EM&V results in the first year of the next IRP cycle. The continuation of policy was agreed upon by PIA Staff and the Company and provides certainty within a program cycle that did not exist when applying results immediately during the middle of the DSM program cycle.

68.

The Stipulation provides that the upcoming EM&V of the DSM programs shall include a new in-situ metering study for the Refrigerator Recycling Program. The study currently being used is out of date and the program will benefit from a newer study. The Stipulation also provides that the costs of the study shall be recovered from the DSM rider. This is appropriate since the study is a DSM related expense.

69.

The Stipulation provides that the Staff will work with the Company on an as-needed basis to extend the 90-day for providing detailed evaluation plans for each of the approved DSM programs. This extension, if needed, will allow the Company the additional time that it needs to complete the detailed evaluation plans in the event that the selection of the Program Implementer is delayed or if more time is needed to develop the detailed evaluation plans.

70.

At its July 21, 2022 Administrative Session, the Commission made the following amendments to the Stipulation. First, the Commission approved the following motion by Commissioner Shaw:

The Commission recognizes the benefits of biomass as a renewable resource, and in order to support Georgia's forest industry and rural job and economic development growth I move that:

1. Georgia Power will re-issue the Biomass Request for Proposal no later than 1st Quarter 2023. The reissued Biomass RFP will seek new biomass generation to serve Georgia Power's customers and will utilize the 2019 Biomass RFP competitive solicitation model that allows the Company to recover all of its program costs and grants the Company an additional sum of \$3/kW-year. The RFP shall also request that bidders provide information with bid on: the number and nature of new jobs, if any, the project will provide; the amount of new capital investment that will be put into the project; and, other information relevant to economic development stemming from the project.
2. The Biomass RFP will seek to fill up to 140 MW of new biomass capacity and energy for Georgia Power customers. Included in this number are the unfilled MW from the 2019 Biomass RFP. The PPA contract term will be for up to 30 years. There will be an 80 MW cap on project size.
3. The fuel used in any biomass facility selected for contracting must be "biomass material" as it is defined as it is in the Georgia Code (O.C.G.A 48-8-3(83)(B).
4. The current Independent Evaluator ("IE") for the biomass RFP will remain in place, and the Company will seek to expedite the Biomass RFP timeline to complete the RFP evaluation in 12 months.
5. Prior to the RFP being issued in 1st Quarter of 2023, the Company will host an in-person bidders conference for all interested biomass bidders to provide feedback on the draft RFP and pro forma PPA, and to ensure that all bidders are afforded the opportunity to have their specific needs and input considered in the RFP documents.
6. At the end of the RFP process, the Commission reserves the right to reject any bid or all bids if the Commission determines that accepting the bid is not in the best interest of ratepayers.

71.

Second, the Commission approved the following motion from Commissioner Shaw:

Rather than continuing to try to address rooftop solar with a series of temporary and partial measures where some customers receive net metering while others receive only avoided cost or, in some cases, nothing at all, I move that the Commission direct Staff and the Company to each address the appropriate structure and pricing of the RNR-10 tariff in the current rate case so that the Commission can move towards a fair and long term way of addressing the issue.

In this IRP, we simply do not have the cost information necessary to set just and reasonable rates, terms, and conditions for rooftop solar. In addition, we do not have the information to determine whether or how such rates, terms, and conditions would impact other customers. Under my motion, the parties in the rate case would have the opportunity to provide, test, and challenge cost-based data and the Commission would have more options than simply deciding whether or not to continue temporarily doling out net metering to a subset of customers.

72.

Third, by approving the following Commissioner McDonald motion, following a friendly amendment by Commissioner Johnson, the Commission amended the Stipulation to state: “Georgia Power Company shall acquire an additional 500 mw of Energy Storage Systems via the Commission RFP bid process. These Energy Storage Systems shall be operated and controlled by Georgia Power Company.”

73.

Fourth, the Commission adopted the following motion by Commissioner McDonald:

Within 60 days from the Final Order, Commission Staff and Georgia Power Company (“Georgia Power”) shall meet to develop guidelines for establishing a Distributed Generation Working Group (“DG Working Group”) for the purpose of improving the procurement practices in order to fulfill the DG procurements approved in the 2022 IRP Final Order. The DG Working Group

shall consist of 5 Commission Staff members, 5 Solar Association representatives, 5 Georgia Power representatives, and 5 members from the general public who shall be appointed by the Commission Chairman and subject to approval by the full Commission.

1. At least 60 days prior to the release of Draft DG RFP and PPA documents, Commission Staff shall convene a DG Working Group meeting to enable collaborative group discussion regarding the proposed RFP and PPA documents and modifications that can be made prior to the posting of the Draft RFP and PPA documents on the Independent Monitor website.
2. At least 15 days prior to the release of Draft DG RFP and PPA documents, the Company shall provide a written summary to the DG Working Group of any changes the Company has agreed to make to the RFP and PPA documents, along with reasons for the rejection of other changes proposed by DG Working Group members.
3. After Commission approval of the DG RFP and PPA documents, the Commission will allow direct in person communications if facilitated by Staff, between Georgia Power and DG Working Group members as well as interested bidders while the RFP is ongoing to attempt to resolve problems or concerns that could result in a more successful RFP.

74.

Fifth, by adopting a Commissioner McDonald motion following a friendly amendment by Commissioner Johnson, the Commission struck 35 of the Stipulation to eliminate the Tall Winds Demonstration Project.

75.

Sixth, the Commission amended the Stipulation to increase the energy savings targets for the Company's Residential and Commercial Energy Efficiency Programs by 15% and the related DSM program budget by 11%. The Commission further directed the Staff and Company to meet within 60 days of this Order to finalize the revised DSM portfolio and DSM budgets for 2023-2025, which should include an overall increase in energy savings of 15%.

76.

Seventh, the Commission adopted Commissioner Johnson's motion to amend the Stipulation to order that Plant Bowen 1 and 2 not be retired as part of this IRP and that such decertification and retirement be reassessed in the 2025 IRP.

77.

At its July 22, 2022 Administrative Session, the Commission adopted Chairperson Pridemore's motion to adopt the Stipulation as amended.

ORDERING PARAGRAPHS

WHEREFORE, IT IS ORDERED, that the Commission adopts the Stipulation (Attachment A) as amended herein as a fair and reasonable resolution of the issues in Docket Nos. 44160 and 44161.

ORDERED FURTHER, the Commission finds that the provisions of the agreement shall have full force and effect as stated in the Stipulation.

ORDERED FURTHER, that with the exception of the above findings of facts and conclusions of law, the Commission denies the remaining recommendations of all non-signing parties.

ORDERED FURTHER, all findings, conclusions, and decisions contained within the preceding sections of this Order are hereby adopted as findings of fact, conclusions of law, and decisions of regulatory policy of this Commission.

ORDERED FURTHER, that a motion for reconsideration, rehearing, oral argument, or any other motion shall not stay the effective date of this Order, unless otherwise ordered by the Commission.

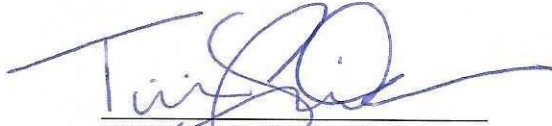
ORDERED FURTHER, that jurisdiction over this matter is expressly retained for the purpose of entering such further Order(s) as this Commission may deem just and proper.

The above by action of the Commission in Administrative Session on the 21st of July 2022.



SALLIE TANNER
EXECUTIVE SECRETARY

7-29-22
DATE



TRICIA PRIDEMORE
CHAIRMAN

7-29-22
DATE