

BEFORE THE
GEORGIA PUBLIC SERVICE COMMISSION
STATE OF GEORGIA

In Re:

Georgia Power Company's 2023 Integrated
Resource Plan Update

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Docket No. 55378

POST-HEARING BRIEF OF SOUTHERN ALLIANCE FOR CLEAN ENERGY

Southern Alliance for Clean Energy ("SACE") respectfully submits its Post-Hearing Brief with SACE's comments and recommendation in response to the evidence before the Commission regarding the Georgia Power Company 2023 Integrate Resource Plan Update (docket 55378).

INTRODUCTION

The Georgia Public Service Commission (PSC) concluded an Integrated Resource Plan (IRP) proceeding with Georgia Power Company (the "Company") on July 29, 2022: Order #191010. Among other conclusions in that Order, the PSC determined that "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." [Finding of Fact #16]

That notwithstanding, on October 27, 2023, Georgia Power Company chose to file a 2023 Integrated Resource Plan Update. In that somewhat unusual and surprising IRP Update, Georgia Power refuted the record from the 2022 IRP and asserted that it does, in fact, need to add capacity resources prior to the 2025 IRP. The utility has proposed two Power Purchase Agreements (PPAs)

from existing assets with both Mississippi Power Company and Santa Rosa Energy Center totaling 980 MW; Battery Energy Storage Systems (BESS) totaling 1,000 MW; three simple-cycle Combustion Turbines (CTs) totaling up to 1,400 MW to be sited at Plant Yates; along with two new customer Distributed Energy Resource programs and expansion of an existing Thermostat Demand Response program. *The Company's initial proposal also anticipated an "additional ownership interest in an existing generating asset within the Southern Company footprint" which was subsequently dropped from the proposed resource portfolio.*¹

Hearings for this proceeding were held on January 16 – 17, 2024 (Company direct testimony), February 29 – March 1, 2024 (Staff and Intervenor direct testimony) and on March 27, 2024 (Company rebuttal testimony).

Immediately prior to the final hearing on March 27, 2024, the Georgia Public Interest Advocacy Staff (PIA Staff) and Georgia Power Company filed a negotiated settlement ("Stipulation") purported to "resolve all the issues in this Docket." That Stipulation, if approved, will sanction all of the proposed fossil fuel resources, eliminate the new solar resource, divide the BESS into 500 MW owned by Georgia Power and 500 MW to be competitively procured, and authorize the proposed DER programs.

The Company has agreed to establish a solar and storage pilot program for residential and small commercial customers. Among other things, the Stipulation includes provisions regarding minimum incremental revenue from the new large load customers for three years and establishes

¹ 200 MW of new solar paired with 200 MW BESS was also envisioned in the initial proposed IRP to be completed by late 2026 but was eliminated with a settlement negotiated later (Stipulation #11). The Company's proposed "Flex Capacity Framework" was also eliminated with that negotiated settlement (Stipulation #18).

a maximum project construction cost for the CTs. Approval of the Stipulation, however, will also authorize corresponding transmission upgrades without incorporating any cost cap.

SUMMARY OF ARGUMENTS

SACE is not a signatory to the negotiated Stipulation. SACE is a clean energy advocacy organization. What little new clean energy resources had been in the proposed IRP Update (200 MW of new solar and BESS) have since been stripped out by the Stipulation. And Company witnesses were unable to quantify the scope and scale of the new residential and small commercial solar and battery pilot program envisioned in the Stipulation.

SACE views energy storage as a critical, versatile technology to support the transition to clean energy. Indeed, some of the Company-owned BESS resources will be co-located with existing solar; consequently, those could potentially capture a limited amount of incremental solar that might otherwise be curtailed from those solar facilities. Beyond that, the full complement of Company-owned and competitively procured BESS will be vital for leveraging existing generation resources to meet rapidly expanding load in the state. And these BESS resources will pave the way for additional clean energy in the future – though conspicuously absent from this IRP Update.

The Company's commitment to establish a solar plus storage pilot for residential and small business customers is welcome. SACE was party to a settlement in North Carolina that led to the comparable PowerPair pilot there.² Point #17 of the Georgia Power Stipulation does not contain enough detail, nor were witnesses able to provide details during the hearing, to gauge how much

² <https://starw1.ncuc.gov/NCUC/ViewFile.aspx?Id=9af65653-9428-41c7-b99e-935ae26967c8>

solar capacity this program may yield in Georgia. Witness Turk testifying for GA Solar asserted that 50 MW would be an appropriate target. [Staff/intervenor hearing Tr. 1351]. If the Georgia Power pilot is that scale, or even 60 MW as the Duke approach in North Carolina, this addition into the Stipulation still fails to compensate for the 200 MW of solar denied by the Stipulation. Nonetheless, SACE supports the concept behind this aspect of the Stipulation and looks forward to joining with other interested parties on a functional program design.

SACE Witness Patel made the case that “[t]ransmission is a supply side resource and should be considered as a potential solution for capacity needs” [Staff/intervenor hearing Tr. 1592] and recommended that “the Commission should require Georgia Power to refile the Updated IRP with proposed transmission solutions.” [Staff/intervenor hearing Tr. 1634] Witness Patel emphasized Grid Enhancing Technologies (GETs), dynamic line ratings, advanced reconductoring, etc. [Staff/intervenor hearing Tr. 1601] (Note: A similar recommendation was also made by CEBA’s witness Lehr. [Staff/intervenor hearing Tr. 0881].) Witness Patel also recommended that “the Commission should require Georgia Power to consider federal financing options in its economic calculations” and specifically referenced the Department of Energy Loan Program Office’s (LPO) Energy Infrastructure Reinvestment Program (EIR) which helps finance projects that “retool, repower, repurpose, or replace” certain aging infrastructure including “reconductoring transmission lines and upgrading voltage.” [Staff/intervenor hearing Tr. 1601]

SACE acknowledges that the Company has voluntarily agreed to investigate EIR funding as part of Stipulation #21.

None of this, however, is sufficient to excuse approval of new fossil gas resources. The three CTs at Plant Yates weren’t even subjected to competitive market procurement. This overall

IRP Update will take Georgia Power from 48% reliant on fossil gas to 50% fossil gas reliant. This is a step away from resource diversity. And it was spikes in fossil gas cost that left Georgia Power over \$2 billion under-recovered on fuel cost in 2022 adding to a new fuel cost forecast that is now being passed through as a \$15.90/month increase on average residential customer bills. It would be irresponsible to leave customers even more exposed to fuel cost volatility.

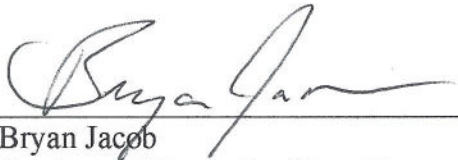
PIA Staff testimony demonstrated that capacity from the Yates CTs is not necessary until 2029. [Staff/intervenor hearing Tr. 0239] Consequently, the Commission has time to consider these units in the context of the full IRP next year (2025) rather than being artificially panicked into hasty decision-making on these 45-year assets. PIA Staff's own recommendation was "that the Commission deny the Company's request for certification of the Yates Combustion Turbine ("CT") Units 8, 9, and 10." And that those units "should be bid into the 2029 – 2031 capacity RFP to determine whether this capacity is least-cost and the most reliable compared to other options." [Staff/intervenor hearing Tr. 0239]

RECOMMENDATION

- **SACE recommends that the Commission defer decision on the Plant Yates combustion turbines (8-10) until the full IRP next year (2025 IRP).** The Company can bid these units into the All-Source Capacity Request for Proposal (RFP) that is presently drafted and scheduled to be issued next month (May 10, 2024). The competitiveness of these units can be duly considered against other bids to assure least-cost resources are selected for the 2025 IRP.

Respectfully submitted,

This 4th day of April, 2024.

A handwritten signature in dark ink, appearing to read "Bryan Jacob", is written over a horizontal line.

Bryan Jacob
Southern Alliance for Clean Energy

Certificate of Service

I hereby certify that the foregoing Post-Hearing Brief of the Southern Alliance for Clean Energy in Docket 55378 was filed with the Georgia Public Service Commission's Executive Secretary according to the Alternative Electronic Filing Procedures issued on March 17, 2020. An electronic copy of same was served upon all parties listed by electronic mail, unless otherwise indicated, and addressed as follows:

Sallie Tanner
Executive Secretary
Georgia Public Service Commission
244 Washington Street, S.W.
Atlanta, GA 30334
stanner@psc.ga.gov

Preston Thomas
Staff Attorney
Georgia Public Service Commission
244 Washington Street, S.W.
Atlanta, GA 30334
pthomas@psc.ga.gov

Kelley Balkcom
Manager, Regulatory Affairs
Georgia Power Company
Regulatory Affairs Bin 10230
241 Ralph McGill Blvd., N.E.
Atlanta, Georgia 30308-3374
mmcclark@southernco.com

Brandon F. Marzo
Steven J. Hewitson
Troutman Pepper
Bank of America Plaza, Suite 5200
600 Peachtree Street, NE
Atlanta, Georgia 30308-2216
Brandon.marzo@troutman.com
Steven.hewitson@troutman.com

Charles B. Jones, III
Lloyd Avram
Georgia Association of Manufacturers
The Hurt Building
50 Hurt Plaza, Suite 985
Atlanta, GA 30303
cjones@gamfg.org
lavram@gamfg.org

Mr. Jeffry C. Pollock
J. Pollock Incorporated
14323 South Outer 40 Road, Suite 206N
Town and Country, MO 63017-5734
jcp@jpollockinc.com

Kimberly (Kasey) A. Sturm
Weissman PC
One Alliance Center, Fourth Floor
3500 Lenox Road
Atlanta, GA 30326
kaseys@weissman.law

Peter J. Andrews
Metropolitan Atlanta Rapid Transit Authority
2424 Piedmont Road, NE
Atlanta, GA 30324
pandrews@itsmarta.com

Jennifer Whitfield
Bob Sherrier
Southern Environmental Law Center
Ten 10th Street NW, Suite 1050
Atlanta, GA 30309
jwhitfield@selcga.org
bsherrier@selcga.org

Curt Thompson, Esq.
Thompson & Associates Law Firm, PC
3775 Venture Drive, D100
Duluth, GA 30096
curtbthompson@bellsouth.net

Isabella Ariza, Esq.
Sierra Club
50 F Street NW, 8th Floor
Washington, D.C. 20001
Isabella.ariza@sierraclub.org

Dorothy E. Jaffe, Esq.
Sierra Club
50 F Street NW, 8th Floor
Washington, D.C. 20001
dori.jaffe@sierraclub.org

Zachary M. Fabish, Esq.
Sierra Club
50 F Street NW, 8th Floor
Washington, D.C. 20001
zack.fabish@sierraclub.org

William Bradley Carver Sr., Esq.
Hall Booth Smith, P.C.
191 Peachtree Street NE
Suite 2900
Atlanta, GA 30303
bcarver@hallboothsmith.com

Simon Mahan
Southern Renewable Energy Association
11610 Pleasant Ridge Rd., Suite 103 #176
Little Rock, AR 72223
simon@southernwind.org

Whit Cox
Southern Renewable Energy Association
337 Druid Oaks Northeast
Atlanta, GA 30329
whit@southernrenewable.org

Liz Coyle
Georgia Watch
55 Marietta Street, Suite 903
Atlanta, GA 30303
lcoyle@georgiawatch.org

Stephanie U. Eaton
Carrie H. Grundmann
Spilman Thomas & Battle, PLLC
110 Oakwood Drive, Suite 500
Winston-Salem, NC 27103
seaton@spilmanlaw.com
cgrundmann@spilmanlaw.com

Steven W. Lee
Spilman Thomas & Battle, PLLC
1100 Bent Creek Blvd., Suite 101
Mechanicsburg, PA 17050
slee@spilmanlaw.com

Peter Hubbard
Georgia Center for Energy Solutions
55 Leslie St SE
Atlanta, GA 30317
peter@georgia-ces.org

Chandra Farley
City of Atlanta, Mayor's Office of
Sustainability & Resilience
55 Trinity Avenue
Atlanta, GA 30303
cfarley@atlantaga.gov

John R. Sydel
City of Atlanta, Mayor's Office of
Sustainability & Resilience
55 Trinity Avenue
Atlanta, GA 30303
Jrseydel@atlantaga.gov

Alicia Brown
City of Savannah, Office of Sustainability
801 E. Gwinnett Street
Savannah, GA 31401
alicia.brown@savannahga.gov

David Nifong
City of Decatur, City Manager's Office
2635 Talley Street
Decatur, GA 30030
david.nifong@decaturga.com

Mike Wharton
Athens-Clarke County Unified Government,
Sustainability Office
110 Bay Street
Athens, GA 30601
Mike.Wharton@accgov.com

H. Gordon Kenna
DeKalb County Government, Department of
Public Works
1300 Commerce Drive
Decatur, GA 30030
hgkenna@dekalbcountyga.gov

Kathy Reed
DeKalb County Government, Department of
Planning and Sustainability
178 Sams Street
Decatur, GA 30030
kdreed@dekalbcountyga.gov

John Joseph McNutt
Regulatory Law Counsel
U. S. Army Legal Services Agency
Office of The Judge Advocate General
Environmental Law Division
9275 Gunston Road, Suite 4300
Fort Belvoir, VA 22060-5546
john.j.mcconnitt.civ@army.mil

Scott F. Dunbar
Partner, Keyes & Fox LLP
1580 Lincoln St., Suite 1105
Denver, CO 80203
sdunbar@keyesfox.com

Alicia Zaloga
Assistant, Keyes & Fox LLP
1155 Kildaire Farm Road, Ste. 202-203
Cary, NC 27511
azaloga@keyesfox.com

Jim Clarkson
Resource Supply Management
135 Emerald Lake Road
Columbia, SC 29209
jclarkson@rsmenergy.com

Robert B. Baker
Robert B. Baker, P.C.
2480 Briarcliff Road, NE, Suite 6
Atlanta, GA 30329
bobby@robertbaker.com

Donald Moreland
Georgia Solar Energy Association
1199 Euclid Avenue
Atlanta, GA 30307
don@solarcrowdsource.com

Kimberly Scott
Georgia WAND Education Fund Inc.
250 Georgia Ave SE STE 202
Atlanta, GA 30312
kim@georgiawand.org

Newton M. Galloway
Terri M. Lyndall
Galloway & Lyndall, LLP
The Lewis Mills House
406 North Hill Street
Griffin, GA 30223
ngalloway@gallyn-law.com
tlyndall@gallyn-law.com


David E. Penland
Beck, Owen & Murray
Suite 600
One Griffin Center
100 South Hill Street
Griffin, GA 30224
dpenland@beckowen.com

Tyler Mauldin
Microsoft Corporation
200 17th Street NW
Atlanta, GA 30363
tylermauldin@microsoft.com

L. Craig Dowdy
Taylor English Duma LLP
1600 Parkwood Circle, Suite 200
Atlanta, GA 30339
cdowdy@taylorenghish.com

Steven L. Jones
Taylor English Duma LLP
1600 Parkwood Circle, Suite 200
Atlanta, GA 30339
sjones@taylorenghish.com

This 4th day of April, 2024.


Bryan Jacob