

Bryan Jacob
1455 Hampton Hill Dr.
Alpharetta, GA 30022

July 14, 2020

Honorable Chuck Eaton, Chairman
Georgia Public Service Commission
244 Washington Street, SE, First Floor
Atlanta, Georgia 30334-5701

Re: SACE Comment on Georgia Power Company's 2022-2028 Capacity-based RFP
(Docket 42641)

Dear Chairman Eaton and Commissioners,

One of the most significant outcomes from the Georgia Power Company 2019 Integrated Resources Plan (IRP) was the decision to proceed with Request(s) for Proposal to meet the Company's future capacity needs. Following is the language from the Stipulated Agreement, subsequently adopted by Order on July 16, 2019 *[item 11, emphasis added]*.

The Company shall initiate a 2022-2023 and a 2026-2028 capacity-based RFP. The RFPs will be structured to address the capacity needs being sought and will require a level of capacity firmness and dispatchability that will be developed in conjunction with Commission Staff and the IE during the RFP development process. ***Specific RFP guidelines including resource eligibility requirements, updated IRP assumptions, and evaluation methodology and criteria will be approved by the Commission in accordance with the Commission's proscribed RFP process and may accommodate bids from renewable resources paired with storage.*** The Company agrees to include language in such RFPs that permit the Company to reject all bids at its discretion.

During the IRP proceeding, Southern Alliance for Clean Energy (SACE) witness Mark Detsky expressed results from Colorado where “[u]sing an all-source RFP approach and an optimized capacity expansion model for bid evaluation for Xcel resulted in an open and transparent market opportunity that attracted record numbers of bids and the lowest prices available in the country for new generation.” [Detsky prefiled testimony, p.20].

SACE was not a party to the Stipulated Agreement, but understood that the provision above would allow solar plus storage facilities to compete with other capacity resources to ensure the most cost-effective resource decisions on behalf of ratepaying customers.

Georgia Power witness Jeffrey Grubb had previously assured the Commission that solar plus storage would be eligible to compete in the Capacity RFP(s): **“If it’s a renewable plus storage that wants to bid in we would allow that.”** [April 8-10 hearing, Tr. 564] Mr. Grubb did explain that “firmness criteria” would apply but did not indicate that projects meeting that firmness

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criteria, and might otherwise be the most cost-effective, should be excluded by artificial scale thresholds, as well.

That notwithstanding, **the Capacity RFP that the Company is asking the Commission to approve significantly limits the eligibility of solar plus storage options.** To be eligible under the proposed program, solar plus storage projects would have to be at least 100 MW (or below 30 MW). **That eligibility gap could prevent selection of the most cost-effective projects.**

In neighboring Florida, for example, the vast majority of solar projects are slightly smaller than 75 MW. If that is the predominant scale of projects in Florida, why would it be prudent to block projects of that scale from being considered in Georgia?

Based on the current Generator Interconnection Queue¹, it seems that this proposed eligibility gap will exclude 74 solar projects in Georgia totaling over 5,500 MW, some already envisioned with storage and others that could be enhanced with storage to meet the firmness criteria.

Following is the language from the proposed RFP (page 2) illustrating the primary change I believe is necessary from a minimum of 100 MW to 30 MW²:

As discussed more specifically in Section II (*Products Sought*), this RFP seeks to procure approximately 1,000 to 3,000 megawatts (“MW”) of capacity and energy resources (including Ancillary Services) from facilities between ~~100~~ 30 and 1,200 MW in size.

I am aware that multiple projects on the same site can be aggregated to meet the 100 MW minimum. I am also aware that Georgia Power prefers fewer, larger projects to meet the capacity need rather than the burden of interconnecting multiple, smaller projects.

SACE cannot predict whether any of the smaller projects would necessarily be the most cost-competitive. In fact, **that’s the point of a competitive RFP process.** But imposing arbitrary restrictions on the process distorts the competitive marketplace it’s purported to create. Inviting bids from a full range of resources (competitive all-source procurement) will help the Independent Evaluator, Company, Commission and staff reveal the best resource options available in the market at the time.

I recommend that the Commission require the Company to revise the RFP and enable a full range of solar plus storage projects to compete.

Thank you for considering this recommendation.



Bryan Jacob
Southern Alliance for Clean Energy (SACE)

¹ <https://www.oasis.oati.com/woa/docs/SOCO/SOCODocs/Active-Gen-IC-Requests.pdf> (updated June 4, 2020)

² Qualifying Facilities up to 30 MW can “notice in” rather than bidding into the competitive RFP.