BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION

In Re:)	
	Georgia Power Company's)	D 1 1 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	2022 Integrated Resource Plan)	Docket No. 44160
)	
. D)	Docket No. 43895
In Re:)	Docket 110. 450/5
	Georgia Power Company's	ĺ	
	2023/2024 Utility Scale Renewable)	
	Request for Proposal)	

GEORGIA POWER COMPANY'S PETITION TO TRANSFER MEGAWATTS BETWEEN COMMISSION-APPROVED RENEWABLE PROGRAMS

COMES NOW Georgia Power Company ("Georgia Power" or "Company") and petitions the Georgia Public Service Commission ("Commission") to approve a transfer of certain previously approved renewable megawatts ("MW") between Georgia Power's renewable subscription programs. Specifically, this Petition requests the following:

- 1. Transfer 500 MW from the Retail Renewable Energy Credit ("REC") Retirement program ("R3") to the Customer Renewable Supply Procurement ("CRSP") program and grant Georgia Power authority to defer the revenues designed to recover the additional sum and transmission costs collected from CRSP customers on the transferred MW beginning January 1, 2025 to a regulatory liability for the benefit of all retail customers to be addressed in the Company's next base rate case;
- 2. Add the 1,030 MW that were left unfilled from the 2023/2024 Utility Scale Request for Proposals ("RFP") to the Company's upcoming Clean and Renewable Energy Subscription

- Utility Scale RFP (the "CARES 2023 US RFP"), which was approved in the 2022 Integrated Resource Plan ("IRP"); and
- 3. Allocate the 1,030 MW to the CARES program and grant customers who are currently in the CRSP queue priority access to the first 500 MW in CARES.

The Company respectfully requests approval of these renewable MW transfers and files the attached revised CRSP tariffs to implement the changes described herein.

I. THE COMPANY'S REQUEST

As a result of this Commission's leadership, Georgia Power has developed one of the largest voluntary solar portfolios in the nation. By the end of 2024, Georgia Power will have deployed approximately 5,500 MW of cost-effective renewable resources, with an additional 2,300 MW approved in the Company's 2022 IRP. By working with the Commission and its Staff, the Company has procured these renewable resources through a measured approach that maintains reliability and benefits customers.

In the 2022 IRP, the Commission approved a slate of programs to help meet customers' growing demand for renewable energy and, in so doing, support economic development in Georgia. Consistent with these objectives, Georgia Power now seeks approval to transfer certain renewable MW that have already been approved by this Commission between existing renewable subscription programs. This transfer will enable Georgia Power to utilize these renewable MW to meet customers' renewable energy needs and help ensure that the unfilled 1,030 MW of renewable resources that the Commission previously approved are procured to serve customers.

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¹ In the 2022 IRP, the Commission approved a total of 2,100 MW of Utility Scale renewable MW. The Company plans to procure these MW through two RFPs, the first of which will take place in fall 2023. The requested transfer of 1,030 MW would be in addition to the MW already planned to be procured through the CARES 2023 US RFP.

A. Request to Transfer 500 MW from R3 to CRSP and defer certain revenues collected from CRSP customers to regulatory liability

In the 2019 IRP, the Commission approved CRSP, a renewable subscription program in which eligible commercial and industrial ("C&I") customers subscribe to receive both hourly credits and RECs. Additionally, the Commission authorized the Company to procure 2,000 MW of new utility scale renewable resources, of which 1,000 MW would be procured for all retail customers, with the remaining 1,000 MW allocated for subscription by customers participating in the CRSP program.

To fill these 2,000 renewable MW, the Company conducted two RFPs: the first RFP (the "2022/2023 Utility Scale RFP") procured 970 MW, 500 MW of which were allocated to CRSP. The second RFP (the "2023/2024 Utility Scale RFP") sought to procure the remaining 1,030 MW; however, the RFP concluded without procuring *any* resources. As the Company explained:

The Company was unable to select any suitable resources with acceptable terms in accordance with RFP parameters.... Through the RFP Process, overseen by the Commission Staff and the Independent Evaluator, the Company identified the most competitive bids, all of which were ultimately eliminated due to economic evaluation or inability to cure bid deficiencies.²

The 2023/2024 Utility Scale RFP resulted in a 1,030 MW shortfall of approved renewable resources (500 MW of which had been allocated to CRSP), and this deficit remains today.

The 2023/2024 Utility Scale RFP had projected in-service dates of 2023 and 2024 for newly procured renewable facilities. Accordingly, C&I customers in the CRSP queue expected to receive RECs and hourly credits beginning in 2023 or 2024. However, because the 2023/2024 Utility Scale RFP failed to procure the 1,030 MW sought, many of these customers now require immediate access to renewable MW to meet their renewable energy needs. As such, and as

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² Letter from Kelley M. Balkcom, Georgia Power Company's 2023/2024 Request for Proposals for Utility Scale Renewable Generation, Docket No. 43895 (Nov. 22, 2022).

described more fully below, Georgia Power respectfully requests to transfer 500 MW from the R3 program to the CRSP program to meet these customers' needs.

As approved in the 2022 IRP, the R3 program allows participating C&I customers to subscribe to RECs from renewable resources that are already online and generating energy.³ Currently, the R3 portfolio includes, among other resources, six power purchase agreements ("PPAs"), which total approximately 1,070 MW. To help meet the needs of those customers who had signed up to participate in CRSP and expected to receive RECs and hourly credits from resources procured in the 2023/2024 Utility Scale RFP, Georgia Power now seeks to reallocate 500 MW from R3 (specifically, from the REDI I and II existing resources), to CRSP. Importantly, these 500 MW are already online and generating energy and have not yet been subscribed to by customers. Therefore, once these MW are transferred from R3 to CRSP, they can be utilized immediately to meet the needs of C&I customers who expected, but were ultimately unable, to subscribe to CRSP MW from the 2023/2024 Utility Scale RFP. Lastly, should any of the 500 reallocated MW remain unsubscribed after being transferred to CRSP, Georgia Power will return them to the R3 program for subscription. In support of this request, Georgia Power has attached the revised CRSP-1 and CRSP-NL-1 tariffs, which have been updated to include the REDI I and II portfolios as supplying resources.

³ In the 2022 IRP, the Commission authorized the Company to allocate RECs associated with certain renewable MW procured for the benefit of all retail customers to the R3 program. *See Order Adopting Stipulation*, Docket Nos. 44160 and 44161 (July 29, 2022), at 27; *see also* Georgia Power's 2022 IRP, Docket No. 44160 (Jan. 31, 2022) at 14-109.

⁴ The six PPAs consist of three PPAs certified through the Renewable Energy Development Initiative ("REDI") I RFP between Georgia Power and Twiggs County Solar, LLC, (200 MW), Quitman Solar, LLC (150 MW), and Camilla Solar Energy, LLC (160 MW), and three PPAs certified through the REDI II RFP between Georgia Power and Quitman II Solar, LLC (150 MW), Cool Springs Solar, LLC (213 MW), and Broken Spoke Solar, LLC (195.5 MW).

⁵ See Order Approving 2018/19 Renewable Energy Development Initiative Power Purchase Agreements, Docket No. 41596 (Dec. 22, 2017) at 2 ("REDI I"), and Order Approving 2020/21 Renewable Energy Development Initiative Power Purchase Agreements, Docket No. 42625 (Jan. 8, 2020) at 4 ("REDI II").

The requested transfer of MW will alter which customers are ultimately responsible for payment of the additional sum and transmission costs on the PPAs that make up the R3 portfolio. Georgia Power currently recovers the additional sum and transmission costs for the PPAs that make up the R3 portfolio in base rates from all retail customers. If the 500 MW are transferred from R3 to CRSP as requested, customers subscribing to the CRSP program will also pay for the additional sum and transmission costs on the same PPAs as part of their subscription fee. To avoid recovering the additional sum and transmission costs twice and to make retail customers whole, Georgia Power requests the authority to defer the revenues designed to recover the additional sum and transmission costs collected from CRSP customers on the transferred MW beginning January 1, 2025 to a regulatory liability for the benefit of all retail customers, with the amortization of the regulatory liability to be addressed in the Company's next base rate case.

B. Request to Add the 1,030 Unfilled MW to the Upcoming CARES 2023 Utility Scale RFP

At the conclusion of the 2023/2024 Utility Scale RFP, Georgia Power stated that, with regard to the 1,030 unfilled MW, "the Company will notify the Commission of its plans to procure the unfilled MW to support customer subscriptions." With this Petition, Georgia Power notifies the Commission that it seeks approval to procure the 1,030 MW by including them in the upcoming CARES 2023 US RFP, which the Company plans to issue later this year. If the Commission approves this request, Georgia Power will include the 1,030 MW in the forthcoming solicitation process, and the specific RFP targets will be included in the CARES 2023 US RFP filing for Commission review and approval. Adding these MWs to the 2,100 MW of utility scale resources approved in the 2022 IRP is the most efficient way to procure the unfilled 1,030 MW and address

⁶ Letter from Kelley M. Balkcom, Georgia Power Company's 2023/2024 Request for Proposals for Utility Scale Renewable Generation, Docket No. 43895 (Nov. 22, 2022).

the renewable energy needs of customers who have been waiting for those MW. Furthermore, to maximize customer engagement and satisfaction, the Company proposes to allocate the 1,030 MW to CARES.⁷ The Company proposes to procure the 1,030 MW using the best cost methodology approved by the Commission in the 2022 IRP for the CARES 2023 US RFP.⁸ This approach adds flexibility to the evaluation process, enhancing the efficiency of the RFP in pursuit of the Commission-approved target. The Commission will have the opportunity to review the bid requirements for the CARES 2023 US RFP when the Company submits the RFP, and to assess the results of the CARES RFP (including the results for the additional 1,030 MW) when the Company submits these resources for certification.

C. Request to Grant Customers Currently in the CRSP Queue Priority to the first 500 MW in CARES

Customers in the CRSP queue continue to express strong interest in subscribing to *new* renewable resources (i.e., resources with "additionality"), such as the CRSP MW that would have been procured through the 2023/2024 Utility Scale RFP. Therefore, to help address the renewable energy needs of customers in the CRSP queue who have continued to wait for new renewable MW, Georgia Power respectfully requests that they be granted priority to the first 500 MW of renewable energy procured through the upcoming CARES 2023 Utility Scale RFP.

II. <u>CONCLUSION</u>

For the reasons set forth above, Georgia Power requests that the Commission (1) reallocate 500 MW from the R3 program to the CRSP program, with any remaining unsubscribed MWs

The Commission approved CARES in the 2022 IRP as a new renewable subscription program. Like CRSP, CARES allows participating customers to subscribe to both hourly credits and RECs associated with energy produced by new renewable development facilities. Allocating newly procured MW (including the previously unfilled 1,030 MW) to CARES will allow Georgia to best meet the renewable development needs of its customers.

⁸ Order Approving Stipulation, 2022 IRP at 24.

returned to R3 and grant Georgia Power authority to defer the revenues designed to recover the additional sum and transmission costs collected from CRSP customers on the transferred MW beginning January 1, 2025 to a regulatory liability for the benefit of all retail customers, (2) allow the Company to procure the 1,030 unfilled MW as part of the upcoming CARES 2023 US RFP, utilizing the best cost methodology, and (3) allocate the 1,030 MW to CARES, and grant customers in the CRSP program queue priority to the first 500 MW procured through the CARES 2023 US RFP.

Respectfully submitted, this 15th day of September, 2023.

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