# **BEFORE THE**

**GEORGIA PUBLIC SERVICE COMMISSION**

**In the Matter of )**

 **)**

**Georgia Power Company’s ) Docket No. 42516**

**2019 Base Rate Case )**

**POST-HEARING BRIEF OF GEORGIA INTERFAITH POWER & LIGHT, SOUTHFACE ENERGY INSTITUTE, AND VOTE SOLAR**

Pursuant to Rule 515-2-1-.04 of the Georgia Public Service Commission (Commission) and the Commission’s May 24, 2019 Procedural and Scheduling Order in the above-captioned proceeding, Georgia Interfaith Power & Light, Southface Energy Institute, and Vote Solar (collectively, “GIPL/Southface/Vote Solar”) respectfully file this post-hearing brief.

**INTRODUCTION**

 In June, the Georgia Power Company filed its first rate case in six years. The Company seeks to recover an additional $2.2 billion from customers over the three-year rate plan period. The average residential customer will see bill increases in excess of $16 per month by 2022. This significant rate increase does not include the billions more that will further increase customer bills when Plant Vogtle Units 3 and 4 come on-line.

 In short, significantly higher bills are in store for customers for the foreseeable future. But rather than help customers manage those increases, Georgia Power proposes to make it harder for customers – especially residential customers – to control their electric bills. In the name of rate “modernization,” Georgia Power proposes an 80% increase in the monthly basic service charge paid by residential customers, making a greater percentage of their bills unresponsive to investments in energy savings measures. This significant increase in fixed charges is not justified and would disproportionately impact low-use and low-income customers. In addition, Georgia Power proposes to limit customer choice by transitioning a sizeable fraction of residential customers – those moving into new premises – away from its most widely used tariff (the standard R tariff). The Company pushes this paradigm shift despite having done little in recent years to promote its time-varying rates and despite having no defined plans to equip customers with the tools and data needed to make informed decisions. Meanwhile, notwithstanding its stated interest in modern, cost-reflective rate design, the Company zealously promotes its FlatBill and Pay By Day tariffs – rate options that provide no meaningful price signal to customers and which, in fact, encourage wasteful consumption. Finally, Georgia Power would perpetuate its adverse treatment of solar customers under the Renewable and Non-Renewable Resources (RNR) tariff by continuing its practice of instantaneously netting customer solar production – a practice this Commission has never explicitly approved and which is contrary to the plain language and legislative purpose of the Georgia Cogeneration and Distributed Generation Act of 2001 (Cogen Act).

 In these and other ways, Georgia Power mischaracterizes the concept of “modern” rates to prioritize cost recovery over customer empowerment. Truly modern rates avoid this imbalance. Customers should have multiple rate design options to choose from, along with ready access to their hourly usage data and tools that enable them to choose the rate that best meets their individual needs and preferences. Rates can and should be designed so that the choices customers make in their own self-interest also work to cover, and ideally, minimize utility system costs.

 GIPL/Southface/Vote Solar offer recommendations below to encourage a transition to modern rates that focuses on customer choice and empowerment.

**SUMMARY OF RECOMMENDATIONS**

GIPL, Southface, and Vote Solar respectfully request that the Commission:

* Reject Georgia Power’s requested increase in the residential Basic Service Charge (BSC) and maintain the current $10/month charge.
* Reject Georgia Power’s use of the Minimum Distribution System (MDS) method of cost allocation and rate design. If the Commission does not reject use of the MDS method, it should require Georgia Power to correct its methodology to eliminate unreliable, and in certain cases impossible, results.
* Consider the effective increase in total fixed charges on customer bills from *all* residentialrate riders, including the Nuclear Construction Cost Recovery rider.
* Reject Georgia Power’s requested change to a daily BSC and maintain the current structure of a monthly BSC.
* Reject Georgia Power’s proposal to eliminate the R tariff as an option for customers in new premises.
* Reject Georgia Power’s proposal to include the FlatBill and Pay By Day tariffs in its suite of residential rate offerings.
* Eliminate the $0.20 per day premium in the residential BSC for customers participating in the PrePay tariff.
* Require Georgia Power to work with Staff and interested intervenors to develop a data access implementation plan and data privacy policy, and to submit the plan and policy to the Commission for approval by June 30, 2020 for implementation no later than January 1, 2021. The plan should include the following:
	+ Access to hourly interval load data for all residential and small business customers via graph format and Green Button Download My Data or equivalent;
	+ Green Button Connect My Data or equivalent, allowing all interested residential and small business customers to share their interval usage data and account information as needed with any third-party provider of the customer’s choice;
	+ A best-in-class online rate calculator that allows residential and small commercial customers to accurately compare monthly and annual bills under all applicable tariffs;
	+ An on-demand shadow billing program through which interested customers can sign-up to receive shadow bills for other applicable tariffs for 12 months;
	+ Machine-readable tariffs published in a centralized database, such as the National Renewable Energy Laboratory’s Utility Rate Database, allowing customer-deployed software to accurately analyze tariff options; and
	+ An on-demand “best fit” tariff pilot program, whereby Georgia Power (either through staff resources or a third-party) analyzes customers’ weather-normalized historic interval load data and recommends “best fit” tariff options based on comparison of total annual cost and monthly bills under each applicable tariff.
* Require Georgia Power to employ monthly netting for customers with on-site solar participating in the RNR tariff, rather than the instantaneous netting that Georgia Power currently employs.

**DISCUSSION**

# **Proposed Changes to the Residential Basic Service Charge**

## *The Commission should reject Georgia Power’s requested residential BSC increase.*

 GIPL/Southface/Vote Solar urge the Commission to reject Georgia Power’s proposed increase to the residential customer BSC and instead maintain the current $10 per month charge. The proposed increase is based on an unreliable and flawed cost of service methodology; is out of line with other investor-owned utility fixed charges; devalues energy efficiency investments; and disproportionately impacts Georgia Power’s lower income customers. Rejecting the proposed increase will not prevent Georgia Power from recovering its approved revenue requirement, and it will provide customers – especially low-income customers – the ability to manage their bills.

### *Regardless of what the Commission determines to be an appropriate BSC, Georgia Power will be made whole.*

 The amount of the residential BSC will not cause Georgia Power to under collect from customers because the total revenue requirement for the residential class is not affected by the BSC. Georgia Power acknowledged multiple times in testimony that the impact of changing the BSC or the energy charge is revenue neutral. (*See e.g.*, Tr. 706 (Company Witness Dr. Faruqui testified: “The utility’s made whole in either circumstance”), 3022 (Company Witness Legg testifying that the average customer would pay the same amount on bills)). Thus, the Commission can set the BSC without concerns that Georgia Power will collect an insufficient amount to recover costs and its authorized rate of return.

### *The Basic Customer Method, not the Minimum Distribution System Method, should be used to allocate costs and inform the residential BSC.*

 The Commission should expressly adopt the Basic Customer Method of cost allocation and reject Georgia Power’s use of the MDS method. Under the Basic Customer Method the cost of meters, service drops, meter reading and billing are properly allocated as customer-related costs. (Tr. 2060). The MDS method includes those components *plus* portions of the distribution system. The Public Interest Advocacy (PIA) Staff estimates that approximately $8 of the Company’s estimated $20.87/month in customer-related costs results from the Company’s use of the MDS method. (Tr. 1668). The MDS method thus has a significant impact on the proposed residential BSC. PIA Staff recommends excluding the MDS-related costs from the calculation of the BSC. (Tr. 1672, 1745).[[1]](#footnote-1) GIPL/Southface/Vote Solar agree with this recommendation.

 GIPL/Southface/Vote Solar’s Witness Barnes testified about numerous problems with the MDS method. First, the MDS method can produce unreliable and even impossible results. For example, Georgia Power allocates approximately 200% of pad-mounted line transformer costs to customers. It should be obvious that customers cannot cause – and therefore should not bear – more than 100% of any particular category of cost. The dramatic increase in customer-related cost allocation for pad-mounted line transformers caused the total customer-related cost allocation for secondary line transformers to jump from 26% in 2013 to nearly 99% in 2019. While Georgia Power claims that its methodology has not changed at all (*see e.g.*, Tr. 640), the reality is that the Company now classifies an additional $1 billion in line transformer costs as customer-related in 2019 compared to 2013. (Tr. 2064). PIA Staff shares these concerns. In testimony, Staff explained that the dramatic variation in customer-related costs resulting from the 2013 and 2019 cost of service studies “demonstrates the instability and almost arbitrary results a theoretical methodology such as MDS can yield.” (Tr. 1667, l. 19-20).

Second, the MDS method can produce unreasonable and inequitable results. For example, a customer with multiple meters (common for agricultural customers) might take service from the same infrastructure that would exist if only a single meter was present, but that customer pays the BSC multiple times, effectively paying more than once for the same service. (Tr. 2058-59).

Witness Barnes explained that the Basic Customer Method is a better method to use in establishing the residential BSC because it “reliably avoids any double-counting of demand, is far simpler to execute, is not vulnerable to subjective bias, and is more broadly accepted as an appropriate mechanism.” (Tr. 2069).

### *Georgia Power’s requested BSC increase is a dramatic departure from national norms.*

In addition to the problems with the MDS method, Georgia Power’s requested BSC increase is extreme when compared with fixed charge increases for other investor-owned utilities (IOUs).[[2]](#footnote-2) Georgia Power requests an increase from $10/month to $17.95/month over the three-year Alternative Rate Plan (ARP) period. The request is extreme for an IOU in two ways: (1) the total amount of the proposed BSC and (2) the scale and pace of the increase from the current BSC. Georgia Power’s current residential BSC is equal to the national median fixed charge among IOUs and just below the national average. (Tr. 2039, 2079-80; GIPL/Southface/Vote Solar Resp. to Hearing Req.). Georgia Power is requesting an almost $8/month increase in the residential BSC. The median fixed charge increase among IOUs during the last five years is $0.50/month and the average increase is just below $2/month. (Tr. 2040). Georgia Power’s proposed increase is a dramatic departure from its peers as illustrated by these metrics.[[3]](#footnote-3)

### *Georgia Power’s requested BSC increase would devalue energy efficiency investments.*

As Witness Barnes explained: “Increasing fixed charges while also attempting to produce higher levels of energy efficiency savings is like driving with one foot on the gas and one foot on the brakes.” (Tr. 2043). Assuming the same total revenue requirement for residential customers, a rate design weighted toward fixed charges lowers the amount to be collected from other charges, such as volumetric energy charges. (Tr. 2043). The higher the portion of a customer’s bill that is fixed, the less ability they have to lower their bill by avoiding electricity purchases. Hence, the value of customer choice – such as investment in energy efficiency – is reduced. Undermining the customer’s incentive to pursue energy-saving measures is inconsistent with this Commission’s policy recognizing energy efficiency as a priority resource.

### *Georgia Power’s requested BSC increase would have a disproportionate negative impact on low-income customers.*

 The parties agree that a higher fixed charge will more significantly impact customers that use less electricity. (*See e.g.,* Tr. 707, 1670, 2049). It will result in disproportionate bill increases for low-income customers. (Tr. 2049-50). Low-income customers tend to use less energy on average than the average residential customer, as data provided by Georgia Power shows. (Tr. 2050). Witness Barnes explained: “As a consequence, a disproportionate percentage of those customers are made worse off by fixed charges relative to volumetric charges that raise the same amount of revenue.” (Tr. 2050). The extent of this impact is detailed in Witness Barnes’s testimony:

Roughly 55.6% of low-income customers fall below the Company’s “average” customer benchmark of 1,000 kWh per month, which defines the approximate indifference threshold to fixed charges. Moreover, 17.3% of low-income customers average less than 500 kWh of usage monthly and would experience bill increases greater than 12%. The bill impact for those same customers under a $10/month BSC scenario is substantially lower, at 3.73%.

(Tr. 2052).

## *The Commission should reject Georgia Power’s request to switch from a monthly BSC to a daily BSC.*

 Georgia Power proposes to switch from a monthly BSC to a daily BSC, citing potential inequities between customers due to different billing period lengths. (Tr. 2878-79). Changing to a daily basic service charge would “exacerbate monthly bill volatility, result in a charge that is less transparent and less understandable for customers,” and the Company “did not identify any clear need for the change.” (Tr. at 2082). The Company acknowledges that over the course of a year, any differences in billing period will even out—meaning, all customers will ultimately pay the same total amount in basic service charges without a switch to a daily charge. (Tr. 2920).

# **Residential Rate Options**

## *The R Tariff should be retained as an option for all residential customers.*

The Company proposes to eliminate the standard R tariff as an option for customers in newly constructed premises, effective January 1, 2020. The change is expected to affect some 100,000 customers over the next three years. (Tr. 3044). If those customers do not affirmatively choose a different rate option (which represents typical behavior for a new resident), the Company would assign them to TOU-RD (Tr. 826), subjecting those customers to the impact and uncertainty of a non-coincident demand charge.

The Company’s proposal is at odds with its professed support for customer choice and is almost certain to cause controversy. The R tariff is by far the most widely used of the Company’s residential rate offerings; some 83% of the Company’s 2.2 million customers are on it. (Tr. 1945). For the vast majority of customers, it’s the only rate structure they’re accustomed to, and they may react poorly to finding it unavailable simply by virtue of having moved to a new home, especially if they are placed on a demand rate they do not understand and are not equipped to appropriately respond to.

Having proposed so radical a shift, one would expect the Company to have a robust plan in place for managing the transition, but it doesn’t. Despite considering the R tariff “antiquated,” the Company has done little in recent years to promote its more modern time-of-use rate structures. (Tr. 2998, 3001-02; GPC Resp. to STF-PIA-4-15). And now, with less than a month to go in this rate case, the Company appears to have no plan in place for educating new premises’ customers about the elimination of the R tariff or, more importantly, for preparing them for a demand rate as the default. (Tr. 3006). There is no well-defined marketing or customer education plan. There is no proposal to provide such customers with hourly usage data to help them better respond to price signals, nor for tools such as an online bill calculator that helps them better understand and select among rate options. Eliminating the R tariff and making the TOU-RD tariff the default appear to be the extent of the plan.

There is nothing wrong with nudging customers toward more modern, cost-reflective rates, particularly if coupled with tools that actually empower customers. Rates can and should be designed so that the choices customers make in their own self-interest to minimize their bill are consistent with actions to minimize utility system costs. (Tr. 1939). Modern rate design should embrace customer empowerment and optionality, rather than forcing customers to shift rates without the relevant tools to fully inform their decision. (Tr. 1932). Dr. Faruqui agreed with increased optionality for residential customers (Tr. 654 (“Modern rate design leaves behind the one-size-fits-all model by embracing diverse offerings that maximize customer choice and ultimately customer satisfaction.”)).

Consistent with this rate design principle, the R tariff should be retained as an option for all residential customers. Meanwhile, the Commission should direct the Company and Staff to design a comprehensive, specific, and measurable plan to promote voluntary customer adoption of modern rate designs that send accurate price signals, are cost-reflective and align utility and customer interests. The plan should be supported by strong marketing efforts, ease of interval energy usage data access and provision of rate comparison tools. The plan development should include input from Staff and interested stakeholders before the plan is submitted to the Commission for approval.

## *The FlatBill and Pay By Day tariffs should be eliminated because they lack actionable price signals.*

If the Company were serious about transitioning to modern rates, it would not so avidly promote the FlatBill tariff. FlatBill is not a modern tariff by anyone’s definition – including Dr. Faruqui, who confirmed that the rate does not send a price signal (Tr. 718-19). Similar to an “all-you-can-eat” buffet, FlatBill encourages wasteful use of electric service contrary to basic principles of rate design. In addition, its flat monthly amount is determined by billing under the R tariff (plus a “risk” adder of up to 10%), the very tariff the Company considers “antiquated” and proposes to move away from. (Tr. 1955). Exacerbating these challenges, the Company now proposes to make the tariff available to any premises with twelve months of prior billing history, even if that means charging the customer based on the usage patterns of a higher-usage predecessor.

The Pay By Day (PbD) tariff is similarly flawed. The PbD tariff would operate like PrePay but “with the certainty” (Tr. 786) of the FlatBill tariff. Customers are offered a fixed daily price that does not fluctuate for an entire year. (Tr. 786). Like the FlatBill tariff, the PbD rate provides no actionable price signal to the customer, does not reflect costs, does not empower customers, and should be not be allowed to become an additional domestic tariff. (Tr. 1956).

Both rates are especially problematic when there is a complete lack of customer data access and bill comparison tools available for customers to make informed choices. These rates signal that Georgia Power is attempting to move rate design in exactly the wrong direction – with more cost certainty for the utility and less control for customers. The Commission should reject these less than “modern” proposals.

## *The Commission should eliminate the $0.20/day BSC premium in PrePay Service tariff.*

Utilities offering prepaid service like Georgia Power benefit from reduced cash working capital requirements, reduced uncollectible accounts, and reduced credit and collections risk. At the rebuttal hearing, Company Witness Legg confirmed that PrePay reduces the Company’s bad debt and uncollectible accounts. (Tr. 3010). Mr. Legg also confirmed that disconnecting and reconnecting these customers can be performed remotely. (*Id.*) Therefore, a premium of $6.00 per month assessed against these customers – who tend to be lower income and to struggle with utility payments – is unwarranted and should be eliminated.

# **Customer Access to Energy Usage Data**

 To successfully navigate the transition toward modern rate designs, customers need ready access to their hourly usage data. Dr. Faruqui agreed that customer interest in data access is growing and that customers need such access to make educated choices among modern rate design options. (Tr. 744-45). For those reasons, Dr. Faruqui supports customers having access to hourly usage information.

 Data access was among the benefits known to accompany widespread deployment of smart meter infrastructure. (Tr. 2121). However, despite having spent $270 million customer dollars on smart meter deployment, Georgia Power lags behind its peers in providing detailed energy usage to customers. (Tr. 2110, 2118). Provision of hourly usage data can help customers better respond to price signals built into rates, and thus to lower their electric bills while also lessening system costs.

 But if transitioning customers away from the standard R tariff is a necessary step toward the future, Georgia Power’s data access foot remains firmly rooted in the past. To residential customers, Georgia Power provides only daily usage data, and even that limited information is not available to customers on the Company’s time of use rates or RNR tariff. (Tr. 871-72). The Company says it will study the matter and report back, but that has troubling echoes of six years ago when the Company said and did the same thing and ultimately made no change.

 In technology terms six years is a long time. Since the last rate case, customers’ ability to use smart phone apps and other programs to measure, reduce and shift their usage patterns has leapt forward. (Tr. 2116). Not surprisingly, customer interest in granular usage data has risen in tandem. Dr. Faruqui expects these trends to continue. (Tr. 745).

 Yet the Company came into this proceeding with no data access proposal to accompany its rate transition plan, which for customers represents a significant shift. Beyond the promise to study the matter again, the Company makes no commitments of any kind. (Tr. 3012). Not only is there no commitment to providing hourly usage data, the Company equally rebuffs suggestions to deploy an online bill calculator allowing customers to understand and determine which of the rate tariff options would best suit their needs. (Tr. 880-81, 3012) Nor would the Company implement any kind of shadow billing mechanism. (Tr. 3013).

 With customers facing billions in rate increases over the next several years, and with the Company now proposing to make a greater share of their bills fixed and unavoidable, further analysis is not warranted. Georgia Power is virtually alone among its peers for having deployed smart meters without providing customers their usage data at the level of granularity enabled by those devices. (Tr. 2119-20). This result is inexplicable for a company that has been recognized consistently for high levels of customer service and satisfaction.

 The Commission should require Georgia Power to work with Staff and interested parties to develop a data access implementation plan as detailed above in GIPL/Southface/Vote Solar’s recommendations.

# **Monthly Netting for Rooftop Solar Customers**

The Commission should direct Georgia Power to implement monthly netting under its Renewable and Non-Renewable Resources or “RNR” Tariff. The change to monthly netting should be accomplished by January 1, 2020.

The RNR Tariff is this Commission’s means of implementing Georgia’s Cogeneration and Distributed Generation Act of 2001, or “CoGen Act,” O.C.G.A. § 46-3-50 et seq. (Tr. 858). This state law ensures that customers who’ve made significant private investments in on-site solar generation receive fair credit and compensation for their system’s production. There are currently just 955 customers on the RNR tariff, all of them solar customers. (Tr. 860; GPC Resp. to STF-PIA-7-24; GPC Resp. to Hearing Req. No. 7).

The RNR tariff was first adopted in 2003 and has been amended nine times since. (Tr. 2971-72). Not once, however, has the tariff included language specifying how the Company actually credits customer solar production. (Tr. 2972). As it turns out, the Company uses “instantaneous” netting, meaning that it accounts for inflows and outflows of electricity on an instantaneous basis. For customers with a bi-directional meter, whenever solar electrons flow out onto the grid, the Company tags such production at its solar avoided cost rate, which is currently just over 3 cents per kWh, before reselling it to the nearest consumer at retail. (Tr. 862). Conversely, whenever there is instantaneous inflow (i.e. the customer consumes electricity from the grid), the Company charges the retail rate based on whichever underlying tariff the customer happens to be on. (Tr. 862-63).

The Company can point to no filing since the RNR tariff’s adoption in 2003 wherein it expressly described its netting practice. (Tr. 2972). Nor can the Company cite to any prior Commission order expressly authorizing instantaneous netting. (Tr. 2972). As noted previously, the RNR tariff is silent on the subject. Only now is the Company willing to include language describing its practice to affected customers, and apparently only because the issue has been raised in this proceeding (the Company proposed other revisions to the RNR tariff in its initial filing but none describing its netting practice).

The Company’s netting methodology does not comport with the plain language of the CoGen Act. Where a distributed generation facility is connected on the customer’s side of the meter – as is generally the case with rooftop solar – the CoGen Act requires Georgia Power to “measure the electricity produced or consumed during the *billing period*, in accordance with normal metering practices using bidirectional metering.” O.C.G.A. § 46-3-55(1)(A) (emphasis added). Customers receive their bills on a monthly or near-monthly basis. As a matter of customer experience and common sense, the billing period is the interval over which bills are rendered – the month. The Act therefore requires *monthly* netting – i.e., at the end of the billing period, the Company is required to net the customer’s total exports to the grid against their total consumption from the grid.

Monthly netting allows solar customers to properly receive full value from their private investments. For example, if a solar customer consumed 1000 kWh from the grid over the month but exported 500 kWh, the customer’s final bill would be based on 500 kWh of net consumption. Under the Company’s practice, by contrast, the customer would be billed for 1000 kWh at the retail rate while receiving the much lower solar avoided cost rate for their system’s excess production. A typical Georgia Power customer on the R tariff with a 6 kW solar array loses several hundred dollars in value per year under instantaneous netting. Over the lifetime of the system, this difference adds up to over $10,000. (Tr. 1973).

Under monthly netting, a customer’s solar production has the same value whether the customer consumes it (thereby avoiding a retail purchase) or their neighbor does. Considering that the Company receives the full retail rate for solar electrons consumed by the neighbor (after having purchased those electrons at wholesale), monthly netting ensures fair treatment of solar customers while leaving Georgia Power no worse off. Monthly netting is better for the solar customer, and the enhanced value proposition it affords will in turn benefit Georgia’s solar installers and create more solar jobs. Monthly netting therefore advances two express purposes of the CoGen Act: to “[e]ncourage private investment in renewable energy resources” like solar and to “[s]timulate the economic growth of Georgia.” O.C.G.A. § 46-3-51(a)(1) & (2).

The Company agrees that the “billing period” is monthly. (Tr. 2900). Apparently, however, the Company construes the phrase “in accordance with normal metering practices using bidirectional metering” to require instantaneous netting. (*See* Tr. 2988). The Company argues that a bidirectional meter cannot simultaneously record both the inflow and outflow of electricity – a point no one disputes. But it hardly follows that instantaneous netting is permissible under the CoGen Act. As Georgia Power concedes, nothing about the functioning of a bidirectional metering prevents it from performing monthly netting. (Tr. 2989). Under the Company’s current practice, “charges and credits are accounted for at the end of the customer’s monthly billing period.” (Tr. 2899). Nothing prevents a similar accounting of inflows and outflows to determine whether the customer was a net producer or consumer over the billing period, and therefore, whether a charge or credit is due – which is precisely what the statute requires.

The CoGen Act makes a distinction between how energy flow is measured and how it is paid for. Measuring electricity produced or consumed during the billing period is only the first step. What follows is a comparison between the “electricity supplied by the electric service provider” and the “electricity generated by the customer’s distributed generation system.” O.C.G.A. § 46-3-55(1)(B) & (C). This comparison yields one of two outcomes: either net consumption, in which case “the electricity shall be billed by the electric service provider, in accordance with tariffs filed with the commission,” *id.* at (1)(B), or net production, in which case the customer “[s]hall be credited for the excess kilowatt-hours generated during the billing period at an agreed to rate as filed with the commission, with this kilowatt-hour credit appearing on the bill for the billing period.” *Id.* at (1)(C)(ii).

If instantaneous netting were permissible, the statute would mandate separate calculations of imports and exports instead of what it actually does, which is to direct that imports and exports be compared to determine which exceeds the other *before* assigning a value to the net. When considering the meaning of a statute, the Commission “must presume that the General Assembly meant what it said and said what it meant.” *Deal v. Coleman*, 294 Ga. 170, 172 (2013) (internal citations omitted). The Commission must afford the statute its plain and ordinary meaning, reading the text in the “most natural and reasonable way, as an ordinary speaker of the English language would.” *Id.* Georgia Power’s reading supplies language that isn’t in the statute while ignoring language that is. For that reason, it must be rejected. *Handel v. Powell*, 284 Ga. 550, 554 (2008) (statutes must be construed to give sensible and intelligent effect to all provisions and to avoid interpretations that render any part of the statute meaningless).

Monthly netting is the Company’s practice for its Community Solar program. (Tr. 1986, 1988). Customers who subscribe to a block of community solar get the kilowatt-hours generated by their block “netted” from their bill, with any monthly excess compensated at the Company’s solar avoided cost rate. Georgia Power’s use of monthly netting for community solar is a testament to the standard nature of monthly netting as practiced by other Georgia utilities implementing the CoGen Act, as well as by utilities nationwide. There is no reason to suppose that those utilities employ anything other than normal metering practices.

The Company attempts to distinguish its Community Solar program on the basis that the fee charged to participants “was explicitly designed to prevent the type of cost shift that the monthly billing scheme … would create.” (Tr. 2900). But this presumes that that monthly netting would produce cost shifts. **There is no such evidence in the record.**[[4]](#footnote-4) The evidence showed that RNR customer consumption patterns remain above average even after installing solar. (Tr. 851). The Company does not have hourly demand information for RNR customers, nor does it project future RNR participants or capacity. (Tr. 850-51). The Company presented no analysis showing that a switch to monthly netting would create cost shifts or result in upward pressure on rates.[[5]](#footnote-5)

At the eleventh hour, Georgia Power’s attorneys suggested during redirect that the Company may be more willing to accept monthly netting if customers were on a demand charge rate. (Tr. 3074). The Commission should reject this for what it is – a very late attempt at misdirection in an effort to continue to devalue customers’ solar investments. Having presented **no evidence** that monthly netting would cause cost shifting, Georgia Power has not shown that such punitive rate treatment is warranted. Georgia Power presented no analysis about how solar customers would fare under a demand rate; but there is *ample* evidence presented by GIPL/Southface/Vote Solar witnesses about the flaws with the demand charges generally, and how the lack of access to granular usage data leaves customers unable to respond to demand charges. (*See e.g.*, Tr. 1936, 1940, 1945, 1948). Staff raised similar concerns, disputing the argument that demand charges send a proper price signal and explaining that absent appropriate data and tools, customers subject to demand charges aren’t in a position to adequately control their bills. (Tr. 1685, 1687-88). No customer in Georgia should be forced to be on a demand charge rate, solar customers included.[[6]](#footnote-6)

The Company’s final gambit was to suggest that a netting determination by the Commission should await the forthcoming proceeding to revise and update its avoided cost methodology. (Tr. 3078). The Commission should refuse this invitation to kick the can down the road. A rate case is indisputably the proper proceeding for considering and implementing any revisions to the RNR tariff, and one has not been held for six years. An irregular proceeding designed to update a methodology that has not been revisited in more than twenty-five years – a proceeding, moreover, which is occurring at the insistence of staff and intervenors, *not* the Company – would be an especially inapt place to address the functioning of the RNR tariff.

**CONCLUSION**

For the foregoing reasons, GIPL/Southface/Vote Solar respectfully urge the Commission to adopt the recommendations set out in this post-hearing brief.

Respectfully submitted this 4th day of December, 2019.

 

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Kurt Ebersbach

Jillian Kysor

Southern Environmental Law Center

Ten 10th St. NW, Suite 1050

Atlanta, GA 30309

P: (404)521-9900

F: (404) 521-9909

kebersbach@selcga.org

jkysor@selcga.org

*Counsel for GIPL, Southface, and Vote Solar*

1. Several states have also expressly rejected use of the MDS method for cost allocation or for establishing customer fixed charges—e.g., Connecticut, Colorado, South Carolina, Texas, and California. (Tr. 2060-61). [↑](#footnote-ref-1)
2. Witness Barnes reviewed fixed charges for 172 IOUs and the changes in fixed charges for those IOUs from the last five years. (Tr. 2038-39). [↑](#footnote-ref-2)
3. The increase is even more dramatic when compared to other utilities or states that treat energy efficiency as a priority resource. (Tr. 2045). [↑](#footnote-ref-3)
4. GIPL/Southface/Vote Solar’s Witnesses Fitch and Gilliam testified about the lack of data to support claims of a cost shift at length; further, they explained that solar customers on average might pay more than their fair share. (Tr. 1975-76, 2022-23). [↑](#footnote-ref-4)
5. The Company’s argument does more to call into question its treatment of community solar subscribers than to validate its treatment of RNR customers. Community solar participants already pay more than they should because the Company’s community solar installations are self-builds, on which it earns a return. It makes no sense to charge them a premium for buying less of one Georgia Power product and more of another. [↑](#footnote-ref-5)
6. The Commission should ascribe no weight to Witness Legg’s testimony on cross-examination during the rebuttal hearing that Cobb EMC customers eligible for monthly netting must be on a rate with a demand charge. Witness Legg admitted that he was not an expert on Cobb EMC’s rates. (Tr. 2909). Beyond Witness Legg’s non-expert speculation about Cobb EMC, there is nothing in the record to support the assertion that Cobb EMC solar customers must pay a demand charge in order to receive monthly netting under the Cogen Act. [↑](#footnote-ref-6)