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**DOCKET # 43814  
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**DOCKET NO. 43814**

### ORDER APPROVING CERTIFICATION OF 2022/2023 UTILITY SCALE RENEWABLE POWER PURCHASE AGREEMENTS

Record Submitted: June 24, 2021

Decided: July 6, 2021

#### APPEARANCES

On behalf of Georgia Public Service Commission Public Interest Advocacy Staff:

PRESTON THOMAS, Esq.

On behalf of Georgia Power Company:

ALLISON W. PRYOR, Esq.

JUDITH H. FULLER, Esq.

BY THE COMMISSION:

#### I. BACKGROUND AND PROCEDURAL HISTORY

This matter comes before the Georgia Public Service Commission ("Commission") to consider Georgia Power Company's Application for the Certification ("Application") of the 2022/2023 Utility Scale Renewable Power Purchase Agreements ("PPAs") filed by Georgia Power Company ("Georgia Power" or the "Company") on April 29, 2021.

On July 29, 2019, the Commission issued its Order Adopting Stipulation As Amended in Docket No. 42310 ("2019 IRP Final Order") regarding Georgia Power's 2019 IRP, which set forth a supply-side plan and included the procurement of 2,000 megawatts ("MW") of utility scale renewable resources through two competitive Requests For Proposals ("RFPs"). Of the 2,000 MW to be procured, 1,000 MW was allocated to all retail customers and 1,000 MW was allocated to

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supply Georgia Power's Customer Renewable Supply Procurement ("CRSP") Program for subscription by eligible commercial and industrial customers.

The 2022/2023 Utility Scale Renewable RFP was issued to the market on June 19, 2020 seeking energy from at least 800 MW and up to a maximum total procurement of 1,200 MW of renewable resources. The Company, Commission Staff ("Staff"), and Accion Group, the Independent Evaluator ("IE"), evaluated a total of 72 proposals from 26 unique bidders representing approximately 11,320 MW of renewable capacity. As ordered by the Commission and to ensure fairness, the evaluation used the Renewable Cost Benefit Framework to value all applicable costs and benefits from the bids. A competitive tier was selected after an initial screening and those selected projects posted bid bonds and then underwent a more thorough and comprehensive evaluation designed to identify the projects that provided the most projected net benefits.

Through the 2022/2023 Utility Scale Renewable RFP Process, Georgia Power selected a 970 MW portfolio comprised of the five proposals that provide the best value. The five 2022/2023 Utility Scale Renewable PPAs increase the Company's renewable generation portfolio and add resources that provide both energy and capacity benefits, along with the Environmental Attributes and Electrical Products to Georgia Power customers at pricing below the Company's projected avoided costs. As described in Georgia Power's Application, the Company requested that the Commission grant a Certificate of Public Convenience and Necessity for each of the following resources:

- A thirty (30) year PPA with CED Timberland Solar, LLC that will provide energy and capacity benefits and the related Environmental Attributes and Electrical Products from the 140 MW CED Timberland Solar facility. The CED Timberland Solar facility is located in Oglethorpe County, Georgia.
- A thirty (30) year PPA with Decatur Solar Energy Center, LLC that will provide energy and capacity benefits and the related Environmental Attributes and Electrical Products from the 200 MW Flint River Solar Energy Center facility including a Smoothing Storage Device. The Flint River Solar Energy Center facility is located in Decatur County, Georgia.
- A thirty (30) year PPA with Double Run Solar, LLC that will provide energy and capacity benefits and the related Environmental Attributes and Electrical Products from the 220 MW Double Run Solar facility including a Smoothing Storage Device. The Double Run Solar facility is located in Turner County, Georgia.
- A thirty (30) year PPA with Wadley Solar, LLC that will provide energy and capacity benefits and the related Environmental Attributes and Electrical Products from the 260 MW Wadley Solar facility including a Smoothing Storage Device. The Wadley Solar facility is located in Jefferson County, Georgia.
- A thirty (30) year PPA with Washington County Solar, LLC that will provide energy and capacity benefits and the related Environmental Attributes and Electrical Products from the 150 MW Washington County Solar facility including a Smoothing Storage Device. The Washington County Solar facility is located in Washington County, Georgia.

Georgia Power issued the Utility Scale Renewable RFP seeking energy from at least 800 MW and up to a maximum total procurement of 1,200 MW, with in-service dates in 2022 or 2023. Consistent with the Commission's 2019 IRP Final Order, the Company sought 500 MW for all retail customers, 300 MW for subscription by existing CRSP eligible commercial and industrial customers, and up to 400 MW for subscription by CRSP eligible customers with qualifying new load additions. Based on the initial customer interest indicated through the Company's CRSP New Load application process, the final procurement target was modified to 1,030 MW.

Due to the large size of the individual bids and the impracticality of procuring resources to exactly meet the target, the Company identified a portfolio of 970 MW of resources to maximize the benefits for its customers. Of the 970 MW portfolio, 440 MW are expected to serve all retail customers, 300 MW will be subscribed by existing CRSP eligible commercial and industrial customers, and up to 230 MW will be subscribed by CRSP eligible customers with qualifying new load additions. As a result of the under procurement in 2022/2023 RFP, the target for the upcoming companion 2023/2024 RFP will be adjusted such that the total target between the two RFP's will be 2,000 MW of Utility Scale renewable resources, as approved in the 2019 IRP Final Order.

On April 20, 2021, the Commission issued its Procedural and Scheduling Order setting forth the dates for the filing of testimony and briefs, as well as the dates for hearing 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. On April 29, 2021, Georgia Power filed its Application for the Certification of the 2022/2023 Utility Scale Renewable PPAs.

On May 7, 2021, the Company pre-filed testimony on behalf of A. Wilson Mallard, and Jeffrey B. Weathers. On May 21, 2021, Staff filed testimony on behalf of John Kaduk and Timothy Cook. On June 7, 2021, the IE filed with the Commission its Report on the RFP process. No other parties intervened in this docket. There were no disagreements between the Company and Staff witnesses concerning material facts in the Certification.

On June 15, 2021, a hearing was conducted before the Commission. Both Georgia Power and Staff presented testimony. On June 24, 2021, the Company and Staff filed a Joint Proposed Order.

## **II. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

### 1.

The Commission finds and concludes that the Company's Application is approved. Through the 2022/2023 Utility Scale Renewable RFP, the Company has procured 970 MW of the 2,000 MW approved in the 2019 IRP Final Order. (Tr. 18:14-18; 19:3-7.) The PPAs sought for Certification in this case will provide energy, associated environmental attributes, and electrical products from 970 MW of renewable capacity to be purchased at rates below Georgia Power's

projected avoided cost. (Tr. 18:14-18.) The evidence presented in this case supports the approval of the Company's Application.

2.

Pursuant to O.C.G.A. § 46-3A-4, the Commission finds and concludes that the PPAs with CED Timberland Solar, LLC, Decatur Solar Energy Center, LLC, Double Run Solar, LLC, Wadley Solar, LLC, and Washington County Solar, LLC shall be certified. These five PPAs reinforce the Commission's and the Company's commitment to expanding renewable development and furthers the Company's commitment to diversifying its electric supply mix for its customers in an economic way. The PPAs represent additional opportunities to increase the Company's renewable generation portfolio and add resources that provide both energy and capacity benefits to Georgia Power customers at pricing below the Company's projected avoided costs. (*Id.*). Certification of the PPAs is appropriate under Georgia law and Commission Rules.

3.

The RFP was conducted in accordance with Commission Rule 515-3-4-.04(3), which governs the RFP process ("RFP Rule") as well as the evaluation criteria as approved by the Commission in the Stipulation. The RFP was facilitated by the IE. (Tr. 20:1-4.) In addition, the Staff provided an additional level of evaluation and oversight throughout the process. (Tr. 13:22-26.) The information provided in the RFP documents, and the additional materials provided to the market through the IE Website, gave bidders the information needed to develop bids in accordance with the requirements previously approved by the Commission.

The testimony presented by the Company, Staff, and the IE Report detailed the significant efforts that went into the development of the RFP, which allowed for considerable stakeholder input into both the RFP documents and the construction of the pro forma PPAs that were used to contract with the winning bidders. Throughout the process, there were opportunities for bidders to make comments on the RFP and pro forma PPAs that were reviewed by Staff and the IE, considered by the Company in revising the RFP documents, and submitted to the Commission for approval via Staff's recommendations. (Tr. 61:13-62:8.) On June 22, 2020, the Commission approved the RFP and pro forma PPAs for issuance to the market. All bids were submitted by July 15, 2020. (Tr. 64: 13-14.) The result of this RFP process was a robust bidder pool of 26 market participants who submitted more than 11,320 MW from 72 unique proposals. This is a clear reflection of the market's overall confidence in this process. (Tr. 20:5-7.)

Proposals submitted for consideration in the RFP were reviewed and evaluated against each other by the Company, Staff, and IE using a cost/benefit analysis to ensure a selection of projects that provided the most customer value. (Tr. 15:9-12.) As ordered by the Commission and to ensure fairness, the evaluation used the Renewable Cost Benefit Framework to value all applicable costs and benefits from the bids. (Tr. 20: 8-11.) A competitive tier was selected after an initial screening and those selected projects posted bid bonds and then underwent a more thorough and comprehensive evaluation designed to identify the projects that provided the most net benefits.

(Tr. 20: 11-15.) The process was fair and transparent, attracting strong bidder participation from all across the country.

Ultimately, the RFP resulted in the selection of the portfolio of resources providing the most value to customers. As Staff witnesses testified, the energy and capacity benefits offered from the PPAs are at prices below the Company's projected avoided cost and will provide benefits to customers. (Tr. 59: 9-21.) The PPAs will result in 970 MW of new, cost-effective solar resources added to the grid in Georgia by the end of 2023. No party to this proceeding offered testimony or evidence opposing certification of these resources. Staff further testified that any funds, if sold, or benefits received by the Company for disposition of the renewable energy certificates ("RECs") should be provided to customers and that the Company provide notification to the Commission prior to any disposition of the RECs associated with the 2022/2023 Utility Scale Renewable PPAs. (Tr. 60:13-17.) The Commission finds that notification regarding the disposition of any RECs associated with the 2022/2023 Utility Scale Renewable PPAs and the benefit from any disposition being provided to customers is just and reasonable.

4.

The cost incurred to supply customers energy and capacity utilizing the PPAs as well as the cost to implement and administer the RFP shall be recovered through the Company's fuel clause, consistent with the 2019 IRP Final Order. (Tr. 76:7-10.) The 2019 IRP Final Order that approved the Stipulation set the additional sum at 8.5% of projected net benefits for the PPAs and authorized a levelized additional sum to be recovered annually for the term of the PPAs. (Tr. 75:11-14.) In accordance with the Commission's 2019 IRP Final Order, the additional sum is based on an 8.5% share of the total projected net benefits and shall be set at the levelized amount of \$4,763,536 per year for thirty years starting in December 2023 for the portfolio of the 2022/2023 Utility Scale Renewable PPAs. (Tr. 71:11-13.) The amount of additional sum will be the same each year. The additional sum was derived consistent with the requirements approved in the 2019 IRP Final Order. (Tr. 72:6-7.)

The Commission finds and concludes that the additional sum requested in the Application is reasonable and appropriate and is approved.

5.

The Commission finds and concludes that the resolution of the matters raised in this docket is appropriate and is in the best interest of customers and the state of Georgia. It is supported by testimony and other evidence in the record and will result in the addition of cost-effective renewable resources and further fuel diversity for Georgia Power's customers.

6.

The Commission retains its jurisdiction to ensure that the Company abides by and implements the rates, terms and conditions set forth in the Stipulation adopted herein, and to issue such further order or orders as this Commission may deem proper.

### III. ORDERING PARAGRAPHS

**WHEREFORE, IT IS ORDERED, that** Georgia Power Company's Application is hereby approved, and a Certificate for Public Convenience and Necessity is issued for each of the 2022/2023 Utility Scale Renewable PPAs.

**ORDERED FURTHER,** that any funds, if sold, or benefits received by the Company for disposition of the renewable energy certificates shall be provided to customers. The Company shall provide notification to the Commission prior to any disposition of the renewable energy certificates associated with the 2022/2023 Utility Scale Renewable PPAs.

**ORDERED FURTHER,** that all findings, conclusions, statements, and directives made by the Commission and contained in the foregoing sections of this Order are hereby adopted as findings of fact, conclusions of law, statements of regulatory policy, and orders of this Commission.

**ORDERED FURTHER,** that jurisdiction over this proceeding is expressly retained for the purpose of entering such further order or orders as this Commission may deem proper.

**ORDERED FURTHER,** any motion for reconsideration, rehearing, or oral argument shall not stay the effectiveness of this Order unless expressly ordered by the Commission.

The above by action of the Commission in Administrative Session on the 6th of July, 2021.



Reece McAlister  
Executive Secretary

7-7-21  
Date



Chuck Eaton  
Chairman

7/7/21  
Date