STATE OF GEORGIA

PUBLIC SERVICE COMMISSION

FINAL REPORT OF THE INDEPENDENT EVALUATOR

REGARDING

2022-2028 CAPACITY
REQUEST FOR PROPOSALS

February 24, 2022

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FINAL REPORT OF THE INDEPENDENT EVALUATOR
RE: GEORGIA POWER COMPANY'S
2022-2028 CAPACITY REQUEST FOR PROPOSALS

I. EXECUTIVE SUMMARY

Accion Group, LLC, served as the Independent Evaluator ("Accion" or "IE"), for Georgia Power Company's ("GPC", "Georgia Power" or "the Company") 2022-2028 Capacity Request for Proposals ("2022-2028 Capacity RFP" or "RFP"). Issued in response to the Company's 2019 Integrated Resource Plan ("IRP"), the RFP sought to procure between 1,000 and 3,000 Megawatts ("MW") of "capacity and energy resources (including Ancillary Services) from facilities between 100 and 1,200 MW in size." [1] The Company considered both new and existing projects offered for power purchase agreement ("PPA"), Asset purchase and sale agreement ("APSA"), as well as Company proposals ("Company-owned Proposals" or "COP"). Storage projects were also accepted, either as standalone Bids or as paired with a Renewable Resource.

The RFP also originally sought to procure 50 MW of new woody biomass generation ("50 MW Biomass"). [2] Four biomass bids were received from 3 bidders. All biomass project bids were considered and evaluated against other new woody biomass projects "to determine the competitive energy price for such resources." [3] One bid was withdrawn when site control could not be established. GPC, the Commission Staff ("Staff") and the IE had numerous conference calls with the remaining two biomass bidders in attempt to secure the program goals. The Biomass solicitation was ultimately separated from the rest of the 2022-2028 Capacity RFP and was conducted on its own website "silo" so that the bids and exchanges were easily recorded. On January 25, 2022, discussions with the final biomass bidder were concluded and the bidder withdrew their bid. Therefore, no projects were selected for contracting. Accordingly, the focus of this report will be the non-biomass bids.

Throughout the RFP process the Staff was diligently engaged and worked closely with the IE to ensure the Georgia Power Service Commission ("GPSC" or "the Commission") rules were followed, and that fairness was extended to every Bidder. Participation of the Staff was helpful as it provided perspective that was unique from that of the Company, Bidders, and the IE and throughout the RFP process the Staff was actively involved alongside the IE.

The RFP was conducted via the RFP Website ("Website") provided by Accion, which hosted all RFP data and information. Due to both the evolving and ongoing COVID-19 pandemic, as well as changes to the RFP as approved by the Commission, several changes and adjustments were made to the RFP process and Website throughout the solicitation. This included the addition of a separate "silo" of the RFP Website used to host the adjusted 60 MW Biomass solicitation, as well as a third "silo" used for a due diligence review of APSA projects submitted on the original Capacity silo. This report will reference each of the 3 silos of the Website individually ("Capacity," "Biomass," or "Due Diligence") or collectively ("RFP Website").

[1] RFP at 2.
[2] The RFP initially sought 50 MW of New Woody Biomass generation. A subsequent order of the Georgia Public Service Commission on October 6, 2020 added an additional 10 MW for a total of 60 MW of New Biomass.
[3] RFP at 3.

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A robust response to the capacity RFP was received from the market. Eighty-seven (87) bids from fourteen (14) Bidders were received; a total of seventy (70) bids from 11 Bidders representing 25,868 MW were evaluated. [4] Detail of the number of projects is presented in Section VII of this Report, entitled "BID RECEIPT."

The IE was available to Bidders throughout the process. The RFP Website provided a direct message feature through which Bidders could contact the IE. The identity of the IE was well publicized, and Bidders could easily contact the IE using a link on each page of the RFP Website. The IE reviewed all comments and questions posted on the RFP Website, and reviewed each answer prepared by the Evaluation Team in response to questions before each response was sent to Bidders. The IE monitored all post-Bid message exchanges between Bidders and the Evaluation Team. Also, the IE responded to every direct contact from a Bidder. No Bidder contacted the IE claiming the RFP process, Bid process, or any aspect of the RFP was unfair, discriminatory, or in any way was biased for or against any Bidder or type of Bid.

The IE believes the RFP was designed to be fair and adhered to the rules of the GPSC. All Bidders had access to the same information at the same time and had multiple opportunities before the Bid process commenced and through the comment process to identify what they believed to be shortcomings in the RFP, and to offer suggestions for making the RFP attractive to competitive Bidding. No Bidder contacted the IE with a complaint about the RFP process, standards, or execution. The IE believes the RFP was conducted fairly and that all Bids were evaluated using the same standards and procedures. Further, the IE conducted an independent evaluation of all Bids and concurs with the final resource selections made by Georgia Power.

II. INDEPENDENT EVALUATOR

A. ABOUT THE INDEPENDENT EVALUATOR

With more than 40 years of in-depth experience in electric, gas, water, and renewable utilities, Accion Group's diverse consortium of consultants provides insightful, candid, and practical advice to the utility industry and their associated government regulatory bodies. Headquartered in Concord, New Hampshire with consulting affiliates nationwide, Accion's specialties range from competitive procurement and utility management to construction monitoring and nuclear decommissioning.

Since its incorporation in 2001, Accion has been routinely involved in high-profile consulting engagements, thus securing a reputation as one of the premier firms providing independent review of utility procurement practices. Accion has served as Independent Evaluator, Independent Monitor, or Independent Observer to state commissions on over 100 competitive solicitations in markets including California, Hawaii, Georgia, Colorado, Montana, North Carolina, South Carolina, Oregon, Florida, Arizona, and Puerto Rico. Accion Group has also assisted utilities in the preparation for, and the conduct of, power supply solicitations in Maryland, Massachusetts, and Nevada. Having reviewed proposals for generation by renewable sources (including wind, solar, biomass, wave action, storage, low-head hydroelectric, geothermal, and methane capture), as well as for conventional generation by new-build facilities using nuclear power, natural gas, and coal fuels, our consultants are well-versed in the subtleties of utility procurement practices. Our ultimate goal as IE is the same as the purchasing utility and

[4] Five bids from three potential Bidders submitted NOIs but never completed bid submittals and therefore were not evaluated. One Bidder submitted 12 technically identical bids with proposed alternative contacting terms which were non-conforming and were therefore rejected.

state regulators: ensuring the solicitation obtains the best deal possible for ratepayers, given current market and regulatory conditions in terms of both price and non-price factors.

B. THE IE'S ROLE IN THE RFP

As IE, Accion reviewed the process designed by the Evaluation Team prior to releasing the RFP. This review included the following:

- The Company's efforts to identify prospective Bidders and publicize the RFP;
- The terms and conditions that would control both the RFP process and any resulting contracts;
- The evaluation criteria and methodology to be employed;
- The procedures employed to ensure that all Bidders would have access to the same information at the same time;
- The form and content of all draft RFP documents;
- The procedures designed to encourage Bidder input on the quality and content of RFP documents and RFP procedures; and
- The design and implementation of the affiliate Standards of Conduct protocols.

Accion Group designed and operated the Website for the receipt of Bids, which hosted and captured for review all RFP-related information and all Website activity. The Website facilitated Accion's ability to closely monitor communications during the RFP process. Accion Group participated in the Bidders' Conference Webinar ("Conference" or "Bidders' Conference"). Other than those asked during the Conference, all questions from Bidders were submitted on the Website and the Evaluation Team's response to each question was reviewed by the IE prior to the question being answered on the Website. Accion also reviewed the comments provided by the Bidders before the RFP was released, discussed those comments that suggested changes to the RFP and PPA with the Evaluation Team, and reviewed the Evaluation Team's responses to the comments, before forwarding them back to the respective Bidders.

III. BACKGROUND

The purpose of the RFP was to "assure a reliable and economic supply of capacity and energy for the Company's customers during the 2022-2028 timeframe," and was "designed to allow the Company the flexibility to adjust the capacity need." [5] The RFP Website was released on October 1, 2019.

On May 12, 2020, the Evaluation Team conducted a Bidders Conference via webinar. [6] The Evaluation Team and the IE provided presentations and answered questions during the Conference. All questions were recorded, and written responses were posted on the RFP Website, along with copies of presentation materials, so that all Bidders, regardless of whether they participated in the Conference, would have access to the same information.

[5] RFP at 1

[6] While the Bidders Conference was originally scheduled to be held both in-person and via webinar, the COVID-19 pandemic resulted in a webinar-only conference.

Bidders were afforded multiple opportunities to assist in the preparation of the RFP and the pro-forma PPAs through anonymous comments submitted through the RFP Website. The comment period opened on April 30 and closed on May 18, 2020. All comments were given thorough review by the Evaluation Team, the IE and the Staff before final RFP documents were presented to the Commission for approval.

The Company filed for approval of the Final Draft documents for the RFP on July 1, 2020 and the Commission approved the Final Documents by Order dated August 6, 2020. [7]

Once approval of the program was received from the Commission, details of the Capacity RFP were posted on the Independent Evaluator's Website and the Bid Form ("Bid Form") was released on the RFP Website. All Bids were received through the RFP Website, with the Bidding period opening on August 31 and ending on October 9, 2020 for Bids in the Capacity solicitation; Bids in the 60 MW Biomass solicitation were accepted until October 19, 2020.

The Evaluation Team and the IE commenced evaluations immediately after the Bid process closed. During this period, clarifying requests were made of Bidders through the RFP Website and extensive evaluation was conducted of each Bid and the transmission impact of each Bid. Staff was actively involved in each round of evaluation and kept advised by the IE of each phase of the evaluation. The evaluation process is discussed below.

Once the final Short List of Bids was established on October 1, 2021, discussions were held with the Finalists to confirm the bid and PPA terms. The IE and Staff participated in each meeting with the Finalists. These discussions produced refinements to the pro-forma PPAs for the sole purpose of project specific requirements. No Bidder was permitted to re-price a Bid or otherwise shift the risks and benefits between the Bidder and GPC. The PPA refinements were incorporated into the final PPAs presented to Bidders for execution.

IV. PROCUREMENT GUIDELINES

With the cooperation of Staff, Accion Group worked with GPC to design the competitive Procurement Website to securely and efficiently manage the RFP process. Structured on Accion Group's proprietary Procurement Website platform, the underlying principles of the IE's RFP Procurement Website were to execute a solicitation process that met both GPSC and Federal Energy Regulatory Commission ("FERC") standards while providing information to Bidders in an equal, understandable, and transparent manner, and allowing all registrants to participate in the bidding process with confidentiality. To meet GPSC and FERC standards, the IE's Website was designed to provide complete security for confidential documents and anonymity for Bidders, thus avoiding unequal treatment or unfair bias towards or against any Bidder. The Website facilitated exchanges with interested parties before the Bid date, managed Bidder Conference information, and handled Bids and post-Bid exchanges. During the RFP process, which began October 1, 2019, through the date of this Report, the Procurement Website was accessed 227,184 times. [8] "Test Accounts" were used by the IE to access the Site for administrative and maintenance tasks. The substantial number of times individuals accessed the RFP Website indicated the ability of the Public and potential Bidders to access RFP information, and to participate in the RFP

[7] Georgia Public Service Commission Order Approving the Capacity RFP and Pro Forma PPAs, Docket #42641, Document #182136.

[8] Commission Staff, Company Personnel, the IE and Site Administrator logons are included in the total number of times Registrants logged on to the Site.

through the secure Website.

A. COMPLIANCE WITH FERC GUIDELINES

Because the RFP was open to GPC affiliates, Accion applied the FERC standards for competitive solicitations. Accion is a well-known and respected firm with significant experience as an IE or Independent Monitor for competitive solicitations by electric utilities. Accion served as IE for over 100 solicitations, a number of which were open to affiliate bidding. Accion reports have been submitted to FERC in prior solicitations, each of which was found to confirm adherence to FERC solicitation guidelines.

This RFP included the opportunity for affiliates of GPC to participate. Because wholesale sales of electric power by an affiliate must also be approved by FERC, the RFP was designed and implemented in a manner so as to meet the FERC requirements in the event an affiliate was a successful Bidder. In 1991, FERC first articulated these requirements in the case of Boston Edison Company re: Edgar Electric Company.[9] The Edgar case established three criteria that must be met if an affiliate is to be awarded a contract from an RFP: (1) the RFP must be designed and implemented without undue preference for the affiliate; (2) the analysis of proposals received must not favor the affiliate, particularly as to non-price factors; and (3) if the affiliate is selected for a contract, its selection must be based on a reasonable combination of price and non-price factors. These Edgar criteria were intended to both ensure ratepayers are protected and that transactions with an affiliate are above suspicion. On July 29, 2004, the FERC issued "Order Granting Authorization to Make Affiliate Sales"[10], which remains the standard of today and contained a set of guidelines that FERC uses today to evaluate the fairness of RFPs and ensure it satisfies the Edgar criteria. These guidelines are commonly referred to as the Allegheny guidelines. The Allegheny guidelines are described in the Order as follows:

> *The underlying principle when evaluating an RFP under the Edgar criteria is that no affiliate should receive undue preference during any stage of the RFP. The following four guidelines will help the Commission determine if an RFP satisfies that underlying principle.*
>
> 1. ***Transparency:*** *The competitive solicitation process should be open and fair.*
> 2. ***Definition:*** *The product or products sought through the competitive solicitation should be precisely defined.*
> 3. ***Evaluation:*** *Evaluation criteria should be standardized and applied equally to all Bids and Bidders.*
> 4. ***Oversight:*** *An independent third party should design the solicitation, administer bidding, and evaluate Bids prior to the company's selection.*[11]

Whether serving as IE or Independent Monitor, Accion Group expects utilities to adhere to the highest standards for fairness and openness when conducting a competitive solicitation process. Similarly, Accion expects utilities to establish and follow RFP protocols that are free from actual or perceived bias. To this end, we look to

[9] *Edgar Electric Company*, 55 F.E.R.C ¶ 61,382 (1991)

[10] *Allegheny Energy Supply Company, LLC,* 108 F.E.R.C ¶ 61,082 (2004)

[11] 108 F.E.R.C ¶ 61,082 (2004) at 22

the FERC-established Edgar criteria, along with the standards established by the Commission for competitive bidding, to judge the quality of GPC's RFP process. To ensure transparency and fairness throughout the RFP process, GPC used Accion Group's IE Procurement Website platform to transmit the RFP, all related RFP documents and RFP information, and to communicate with Bidders during the solicitation process. Doing so facilitated GPC's compliance with FERC's Allegheny guidelines and the Commission's rules on Request for Proposals Procedure under Chapter 515-3-4, "Integrated Resource Planning," of the Commission's General Rules.

As IE, Accion found that the Company's procurement process adhered to the FERC-established Allegheny guidelines outlined above. The IE Website functioned in a manner that met the strict protocols of transparency, definition, evaluation, and oversight, as defined by FERC. In the remainder of this section, we present a detailed overview of how each of the four FERC Guidelines was met and documented on the Website.

1. Transparency Principle

Transparency is the free flow of information to all parties. (108 F.E.R.C ¶ 61,082 at 23)

The transparency principle requires the RFP process to be open and fair to all participants. The IE Website used for the GPC 2022-2028 Capacity RFP provided all parties with Procurement Website access to the same information at the same time. Bidders were required to use the Website for access to all information, including documents provided by the Company and answers to questions posed by Bidders. All solicitation information was date-stamped when posted, and all RFP documents and data were able to be accessed by registered users at any time. Whenever a document was uploaded, a question was posed, an answer posted, or a calendar event listed, all registered users of the Website were able to view this information immediately. Automatic emails were sent to every registered user notifying them of the new information available and directing users to the specific site page where it could be located.

> *Instead of individually inviting specific Bidders, the utility should allow all interested parties to Bid on the RFP. All aspects of the competitive solicitation should be widely publicized. (108 F.E.R.C ¶ 61,082 at 23)*

The IE Procurement Website allowed all interested parties to register for complete access to the procurement site. Any individual or company visiting the site was welcomed to complete a pre-qualification questionnaire and submit their registration as a potential Bidder. Pre-qualification questionnaires were evaluated against set criteria to determine Bidder eligibility. Moreover, users could register as "non-Bidders" to have full access to the site, except for individualized, confidential Bid Books ("Bid Book"). The IE Procurement Website was available to the public and was also easily accessible via search engine and the Commission's Website. Announcements about the RFP were posted on the Website and available to the public. Registered users were sent automatically generated notices whenever an announcement was posted. The Website preserved a copy of every announcement, even after it was removed from public viewing.

> *"Any communication between RFP issuer and Bidder that are not part of the Bid should be made available to all other Bidders." (108 F.E.R.C ¶ 61,082 at 23)*

All communication between GPC and Bidders that was not specific to an individual Bid was made available to other Bidders through pages accessible on the IE Procurement Website. For example, all users registered to the site were able to access the "Q&A" page, where questions and answers were posted while maintaining Bidder

confidentiality. When Bidders posed questions to GPC, the questions, along with the answers, were posted to the "Q&A" page and an automatic email was sent to all registered users alerting them of new communication posted to the site. The Procurement Website's secure data collection feature ensured that the identity of the Bidders posing the questions remained anonymous. All questions posted during the Bidders' Conference were recorded and subsequently posted on the Website, along with answers from GPC.

Any communication between the Bidder and the Evaluation Team relating to the Bidder's specific Bid proposal remained confidential and was retained in a secure folder accessible only by the Bidder, the Evaluation Team, Staff, and the IE.

Negotiation may occur after the bidding; for example, when a Short List has been compiled or a winner has been selected. (108 F.E.R.C ¶ 61,082 at 26)

The Procurement Website was designed to manage the exchange of documents during post-Bid negotiations, mitigating any transparency concerns and providing a continued online conduit for information exchanges during the RFP process. Each Bidder received a secure Bid Book, through which information was exchanged with the Evaluation Team. These Bid Books contain folders specifically designated for all messages between the Bidder and the Evaluation Team, allowing for postings of contracts and communications. All communications were monitored by the IE, and the IE participated in each discussion between GPC and any Bidder. Each post-Bid document was date-stamped when uploaded to the respective Bid Book, providing the Company and the Commission with a permanent record of the solicitation and related negotiations.

2. Definition Principle

The product or products sought through the RFP should be defined in a manner that is clear and nondiscriminatory. (108 F.E.R.C ¶ 61,082 at 27)

Draft RFP documents were posted on the Website and anonymous comments were solicited from prospective Bidders, thereby ensuring that the products sought through the final version of the RFP were defined in a clear manner understandable to all Bidders. The Website also featured a "Q&A" page on which any registered user to the Website was able to post questions anonymously regarding products being sought in the RFP. The question submitted and the answer provided by the utility, Staff, or the IE, were accessible to registered users immediately after the information was posted.

If there are changes in the product specification, rebids should be allowed.

(108 F.E.R.C ¶ 61,082 at 27)

3. Evaluation Principle

RFPs should clearly specify the price and non-price criteria under which Bids will be evaluated. (108 F.E.R.C ¶ 61,082 at 29)

The RFP documents provided clear and complete product definitions and full disclosure of the evaluation process. With respect to this aspect of the RFP, the IE conducted an on-line "comment process" wherein interested parties were invited to suggest edits to the draft RFP documents in order to identify areas of confusion on the part of the marketplace. The Q&A feature on the website also provided the means for bidders to identify confusion about the evaluation process. No bidder challenged the evaluation process. In addition, Accion Group

found the RFP documents to be thorough, accurate, and complete. Thorough RFP documents, opportunity for clarification and questions, and equal access to all information regarding the products sought by GPC gave all prospective participants clear information as to the products being sought and the competitive solicitation process to be employed to evaluate the proposals.

> *RFP issuer and Bidders will usually need to divulge commercially sensitive information in the solicitation process. (108 F.E.R.C ¶ 61,082 at 31)*

In order to ensure confidentiality and security throughout the online bidding process, the Procurement Website featured a 2048 Bit security certificate to ensure the privacy and security of all transactions made through the solicitation platform. Furthermore, every Bidder automatically received a secure Bid Book folder for all Bid-related documents. This Bid Book served as a secure repository of confidential Bid-related information enabling Bidders, the IE, and the Evaluation Team to securely post relevant documents and communications while maintaining Bidder anonymity and ensuring that commercially sensitive information was not inadvertently released to the public or to other Bidders. Only the named Bidder, the IE, certain Staff members, and the Evaluation Team were able to access documents in each Bid Book folder.

In addition, the Website maintained comprehensive logs detailing when a user was logged in, and what actions were taken while on the Website (such as page views or document uploads and downloads). As a result, any questions regarding privacy or questionable access to documents could be answered by reviewing Website access and user logs, which confirm every action taken on the site.

4. Oversight Principle

> *Effective oversight of competitive solicitations can be accomplished by using an independent third party in the design, administration, and evaluation stages of the competitive solicitation process. (108 F.E.R.C ¶ 61,082 at 32)*

Accion's oversight as IE began before the draft RFP was released for public review. All aspects of the RFP were managed through the Website, ensuring security, transparency, and confidentiality, while also creating a permanent log of all RFP activity. All registration, pre-qualification, bidding, communication, Q&A, and post-Bid exchanges were handled through the Website's secure online RFP management system, allowing Accion to provide effective oversight of the entire RFP process, and making review of the process possible with date-stamped entries. These Website records and logs serve as a permanent record of Georgia's solicitation process, providing the Evaluation Team and the Commission with the date and time of every action taken by Bidders, the utility, the Commission, and the IE.

> *A minimum criterion for independence is that the third party has no financial interest in any of the potential Bidders, including the affiliate, or in the outcome of the process. In this context 'independence' means that the third party's decision-making process is independent of the affiliate and all Bidders. (108 F.E.R.C ¶ 61,082 at 33)*

Accion had no financial interest in any of the potential Bidders, GPC, GPC affiliates, or in the outcome of the process, and would not have accepted this engagement if there had been even the appearance of a conflict of interest. This independence is periodically reviewed by the Commission.

The independent third party should be able to make a determination that the RFP process is transparent and fair. The independent third party's role as the sole link for transmitting information between potential Bidders and RFP issuer would also help to ensure that the RFP design will not favor any particular Bidder, particularly an affiliate. (108 F.E.R.C ¶ 61,082 at 35)

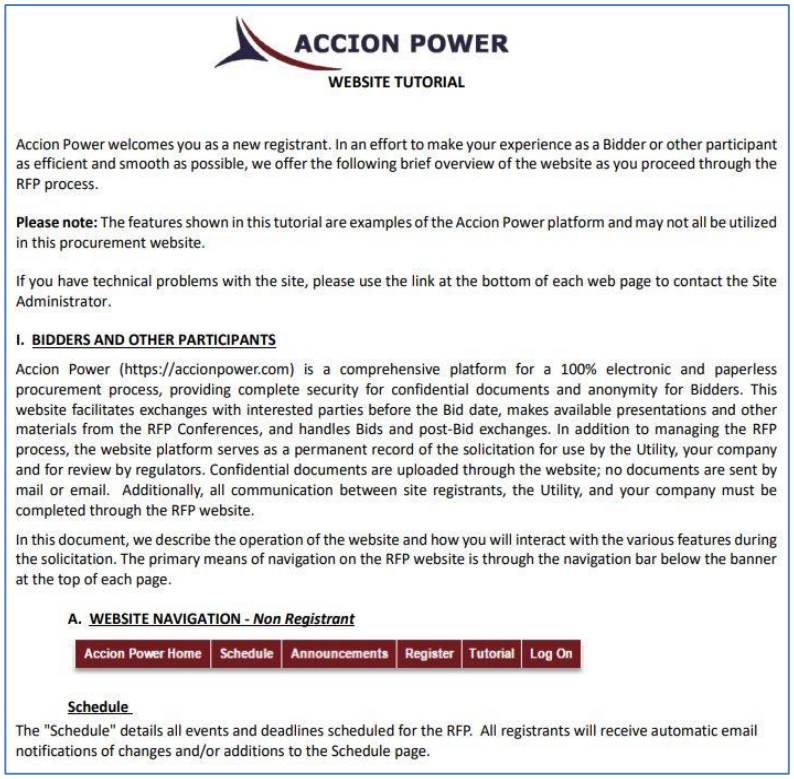
The IE Procurement Website served as the sole link for all interactions between Bidders and the RFP issuer, and provided all Bidders with 24-7, real-time access to updates, documents, announcements, and all Bid-related communications and information. The Website allowed the IE to monitor every question, comment, document upload, and interaction during the solicitation. Because anonymity, confidentiality, and security are fundamental built-in components of the RFP Website platform, the IE is able to make a demonstrably strong judgment as to the fairness of Georgia's RFP process. Bidders were prohibited from direct contact with utility personnel, except when during site-specific discussions and site visits which were monitored by the IE.

B. PROCUREMENT WEBSITE

Once the IE released the RFP Website, general information relating to the 2022-2028 Capacity solicitation was available to the public, and individuals were able to register on the Website as either Bidders or Non-Bidders. Upon registration, each individual received an automatic email notification acknowledging successful registration to the Site along with an individual User ID and automatically generated password. In addition, they received an attached "Website Tutorial" explaining use of the RFP Website and Bid process.

The Tutorial was also available to all public users as a link on the Website navigation bar.

Figure 1
Introduction to the Procurement Website Tutorial



ACCION POWER

WEBSITE TUTORIAL

Accion Power welcomes you as a new registrant. In an effort to make your experience as a Bidder or other participant as efficient and smooth as possible, we offer the following brief overview of the website as you proceed through the RFP process.

Please note: The features shown in this tutorial are examples of the Accion Power platform and may not all be utilized in this procurement website.

If you have technical problems with the site, please use the link at the bottom of each web page to contact the Site Administrator.

I. BIDDERS AND OTHER PARTICIPANTS

Accion Power (https://accionpower.com) is a comprehensive platform for a 100% electronic and paperless procurement process, providing complete security for confidential documents and anonymity for Bidders. This website facilitates exchanges with interested parties before the Bid date, makes available presentations and other materials from the RFP Conferences, and handles Bids and post-Bid exchanges. In addition to managing the RFP process, the website platform serves as a permanent record of the solicitation for use by the Utility, your company and for review by regulators. Confidential documents are uploaded through the website; no documents are sent by mail or email. Additionally, all communication between site registrants, the Utility, and your company must be completed through the RFP website.

In this document, we describe the operation of the website and how you will interact with the various features during the solicitation. The primary means of navigation on the RFP website is through the navigation bar below the banner at the top of each page.

A. WEBSITE NAVIGATION - *Non Registrant*

Accion Power Home | Schedule | Announcements | Register | Tutorial | Log On

Schedule

The "Schedule" details all events and deadlines scheduled for the RFP. All registrants will receive automatic email notifications of changes and/or additions to the Schedule page.

The Website was designed and employed to prevent the Evaluation Team from knowing the identity of any Bidder, prior to the IE releasing Bids at the point when the Competitive Tier was to be established. The IE screened messages and questions posted to the site and removed Bidder-specific references to maintain anonymity. After the Bid period closed the IE provided the Evaluation Team with a "price only" summary of Bids for an initial ranking of Bids. That summary removed all reference to the Bidder and the location of the proposed project. After the summary was reviewed and ranked, the IE provided the Evaluation Team with access to the Bid Books, and all of the information provided by Bidders.

Those who registered as Bidders were automatically provided with a confidential, personal Bid Book that provided a secure platform through which all communication between the Evaluation Team and Bidders occurred; thus, it also preserved a permanent record of all interactions. Once the Bid period closed, nearly all exchanges between the Evaluation Team and a Bidder were done through the individual, secure Bid Book. Both the Evaluation Team and the Bidder could upload memos and other documents within the Bid Book, and the Website generated an automatic email to alert the other party of the interaction. Non-Bidders had access to all public information other than the Bid Form.

Communication with Bidders also consisted of the IE and GPC sending "blast" emails from the Website, which made certain that registrants received the same information pertaining to RFP developments at the same time. For example, in the days prior to the Bid submission date Bidders were sent a reminder.

The Evaluation Team, Staff, and Accion collaborated to produce Announcements, Calendar events, Frequently Asked Questions ("FAQ"), RFP documents, and a Question and Answer ("Q&A") page on the Website in order to provide all registrants with up-to-date information.

All registered users of the Website received automatic email announcements whenever an announcement, document, or FAQ was posted, and when the schedule was adjusted.

RFP Information was Accessible and Clear

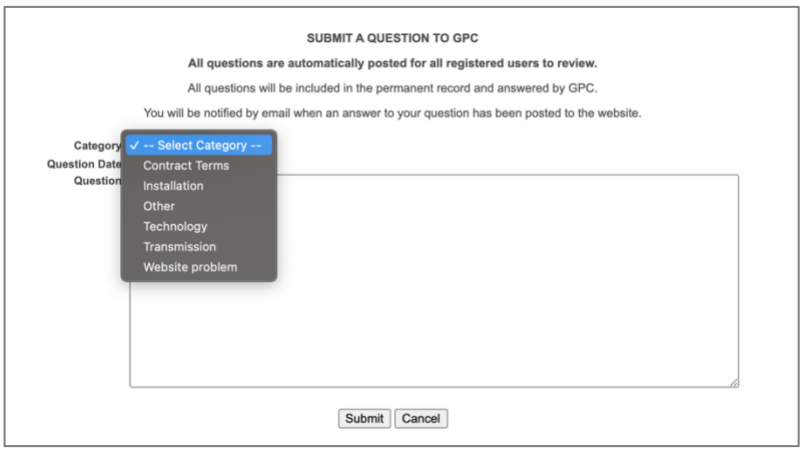
a. Frequently Asked Questions (FAQs)

The FAQs page displayed answers to the most commonly asked questions about the Website and the 2022-2028 Capacity RFP. GPC's FAQs were accessible to the public and covered topics including Background, Bid Procedures, Bidder Eligibility, Website Operation, and what to do if a Bidder had a question that involved confidential information regarding a project. If the answer to a question was not available on this page, Bidders were instructed to check the Q&A page to see if their question was previously answered. If their question was not answered on the FAQs page, they were instructed to post their question on the Q&A page, and to not contact the Evaluation Team directly.

b. Questions and Answers (Q&A)

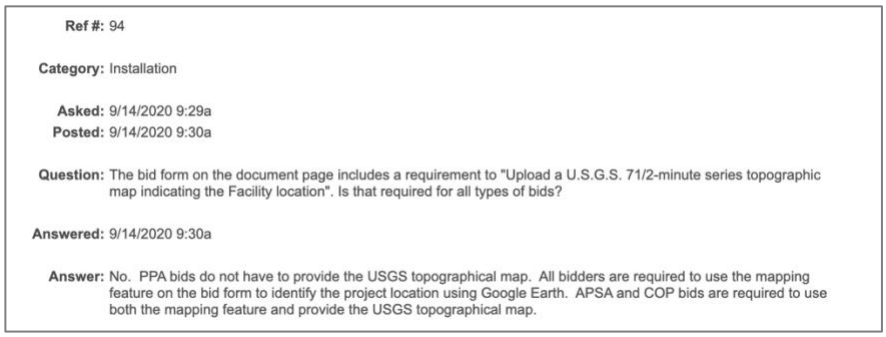
All registered users of the RFP Website had the ability to anonymously submit questions via the online Q&A page, as shown in Figure 2.

Figure 2
Question & Answer Feature-Ask a Question



All Questions and Answers were visible to all public and registered users of the Website immediately after being posted. To avoid an inadvertent disclosure of Bidder's information, such as when a Bidder included their name in a question, the IE established a "Manager Messages Board" to transfer Bidder questions to GPC personnel after the IE removed all information which could identify a Bidder. With this process the Evaluation Team responded to Bidder inquiries via the Manager Messaging and after review, the IE posted the answer on the Website Q&A page. When a question was posted, the individual who posed the question received an automatically generated email from the Website with the answer. A screenshot taken from the Capacity silo Q&A page showing one question and answer (Ref #94 Posted) is shown in Figure 3. In addition, all questions and answers could be downloaded, printed, and exported to create an Excel Spreadsheet.

Figure 3



Ref #: 94

Category: Installation

Asked: 9/14/2020 9:29a
Posted: 9/14/2020 9:30a

Question: The bid form on the document page includes a requirement to "Upload a U.S.G.S. 71/2-minute series topographic map indicating the Facility location". Is that required for all types of bids?

Answered: 9/14/2020 9:30a

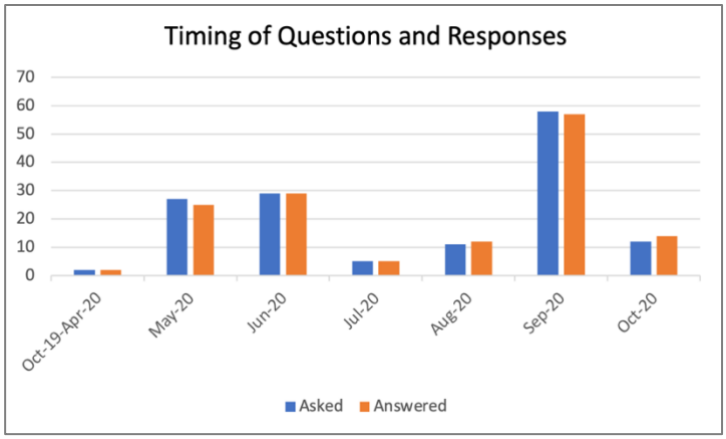
Answer: No. PPA bids do not have to provide the USGS topographical map. All bidders are required to use the mapping feature on the bid form to identify the project location using Google Earth. APSA and COP bids are required to use both the mapping feature and provide the USGS topographical map.

Once the Bid period closed on the Capacity silo October 9, 2020, the opportunity to ask questions via the Q&A was terminated. Bidders were directed to exclusively use the Message Board to ask questions and communicate with the IE and Evaluation Team regarding their Bid(s).

When the Q&A feature was closed, a total of 144 questions had been posted on the Capacity Q&A page. Prior to selection of the Competitive Tier, GPC did not have access to, nor was it aware of the identity of Bidders, and the IE monitored and screened Messages to ensure Bidder identity was not divulged. The anonymity of the Q&A page ensured that all Bidders had immediate access to questions and answers that were posted, and that the Evaluation Team considered questions without regard for the source. The Evaluation Team or the IE answered all questions.

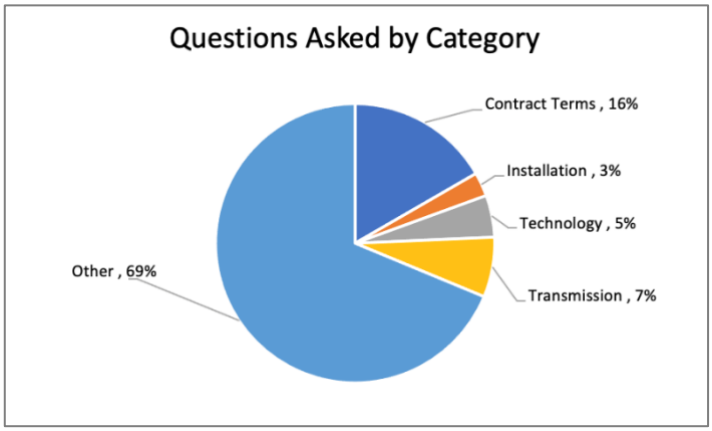
GPC's goal was to respond to all questions within two (2) business days, after reviewing the response with the IE and Staff. This standard has been in place for a number of years without difficulty. In this RFP the average response time was three (3) days.

Figure 4



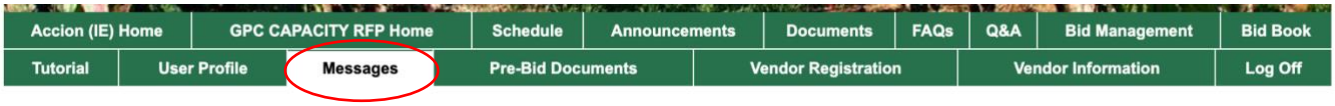
The Website sorted all questions into five categories: Installation, Technology, Transmission, Contract Terms, and Other. Registered individuals asked four (4) questions regarding Installation, seven (7) questions regarding Technology, 10 questions relating to Transmission, 24 questions relating to Contract Terms, and 99 questions relating to "Other." The sort feature identified areas of concerns without Evaluation Team having to review them for content, therefore, permitting quick distribution to subject matter experts for prompt replies.

Figure 5



The questions raised in the Q&A provided another opportunity for the IE, Evaluation Team, and the Staff to gauge the clarity of the RFP materials. The IE believes the public Q&A feature permitted all Bidders to have access to the same information at the same time.

c. Message Board



The confidential "Messages" feature was activated for registered Bidders after the Bidders Conference Webinar on May 12, 2020. On the RFP Website, Bidders were able to correspond with the IE through the confidential 'Messages' link on the navigation bar. Once the bid period closed, the GPC Evaluation Team used the confidential message board to confirm bid details and correspond with Bidders regarding evaluation. This correspondence was monitored by the IE, but was not available to persons other than the individual Bidders and the Evaluation Team. Prior to the Bid due date, the Messages feature was used only for questions that disclosed confidential Bid-specific information, and therefore, could not be asked via the Q&A.

The 'Messages' page allowed Bidders to type a question into a text box and give the message a subject name. Bidders had the option to select if the message corresponded to a specific Bid. All messages were preserved on the Messages page.

The IE is unaware of any exchanges between the Evaluation Team and any Bidder by email or otherwise. All correspondence exchanged via the Message Board was preserved for review by the Commission.

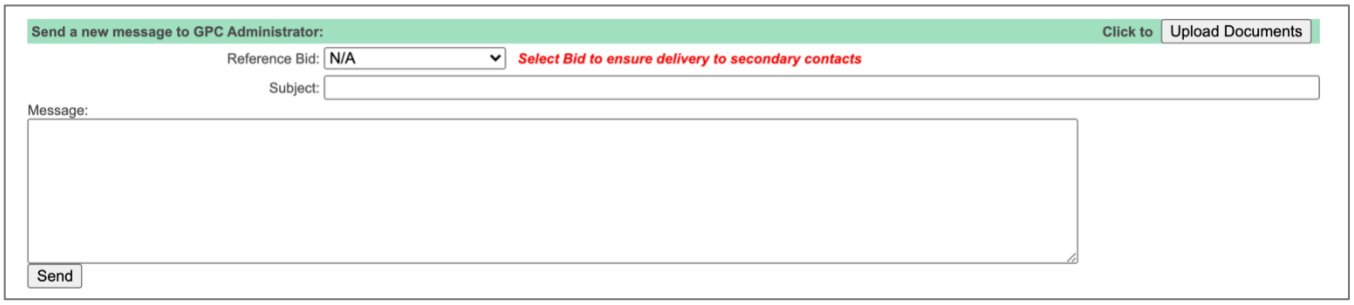
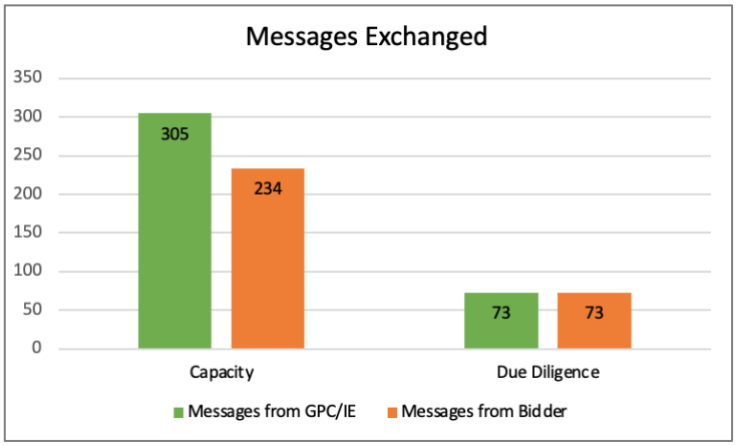


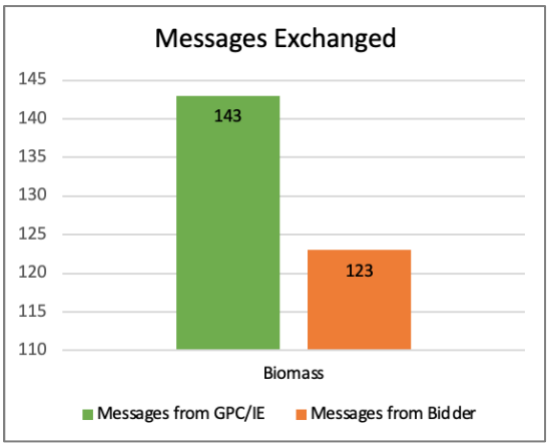
Figure 6



There were 685 messages exchanged via the Message Board on the Capacity and Due Diligence silos of the Website as of the date of this report. Bidders submitted 307 Messages to the Company, and 378 Messages were submitted by GPC or the IE either responding to specific Bidders' questions or requesting Bid clarifications (See Figure 6). Figure 7 represents messages exchanged on the Biomass silo. The considerable number of communications via the Message Board signified there were robust exchanges with Bidders, but more importantly, quantified documentation of most of the exchanges without Company or IE filing intervention.

In addition to the confidential Message Board, for problems concerning the RFP process, or for assistance with technical problems on the Website, all Website Users could contact the IE via a link located at the bottom of every page of the Website. Users contacted the IE 32 times across all 3 silos for assistance. [12] As with the Messages Board, all correspondence exchanged via the Contact link was preserved for review by the Commission.

Figure 7



[12] The IE was contacted via phone and email by one Biomass Bidder who was directed back to the Website. The IE recorded these contacts via the message board and each time the Bidder was directed back to the Website.

V. PRE-BID ACTIVITIES

The RFP was structured to strictly respect the protocols established by the Commission. To avoid the inadvertent violation of these protocols, Bidders were advised to avoid attempting direct contact with members of the GPC Evaluation Team. The Standards of Conduct were clearly established before the RFP was publicly announced and were respected by the Evaluation and the Bid Teams throughout the process. The IE is unaware of any violation of the protocols by either the Evaluation Team or the Bid Team members, from the pre-Bid period through the completion of the RFP.

A. RFP STANDARD OF CONDUCT

a. Background

To the best of the IE's knowledge, the GPC personnel adhered to the strict Standard of Conduct Requirements per the GPSC Rules concerning affiliates.

b. Teams

Individuals involved in the RFP for GPC were identified as being on the Evaluation Team, and their names were posted on the IE Website to advise Bidders of the GPC personnel who would not accept any direct contact. The Evaluation Team was responsible for developing and designing the RFP and evaluated the proposals received from the third-party Bidders.

c. Protocols

The IE believes that no member of the Evaluation Team, nor any Specialized Technical Support personnel was a member of any Affiliate Bid Team as that is defined in GPSC Rule 515-3-4-.04(3). The IE is unaware of any communication with any member of any Affiliate Bid Team that would be in violation of GPSC Rule 515-3-4-.04(3). Each member of the Evaluation Team and all Specialized Technical Support personnel completed Standards of Conduct training and provided an affidavit of compliance confirming familiarity with GPSC Rule 515-3-4-.04(3).

GPSC Rule 515-3-4-.04(3)(d) applied to all communications.

B. LIST OF POTENTIAL BIDDERS - Rule 515-3-4-.04 (3)(e) i

When the IE RFP Website was released, a notice was sent to all individuals who previously registered with GPC as desiring to receive notice of RFPs, and to an RFP "contact list" of individuals who registered on the Accion Power Website for notification when the RFP Website was launched. In addition, the IE sent a notice of the RFP to approximately 5,000 individuals who have participated in other solicitations that Accion Group has conducted. Accordingly, the IE believes adequate public notice of the RFP occurred.

The following Announcement was posted to the RFP Website on October 1, 2019:

> ***10/1/2019 3:27:41 PM***
>
> *Georgia Power is pleased to announce the launch of its 2022-2028 Capacity Request For Proposals. This capacity-based RFP is designed to procure resources to meet Georgia Power's customers' capacity needs as reflected in the 2019 Integrated Resource Plan approved by the Georgia Public Service Commission in July 2019. More information is coming soon. Interested parties are encouraged*

to become familiar with the IE Website found at https://gpc2022-2028capacityrfp.accionpower.com. Registration is required through the website as it will be the means of communication between Georgia Power and interested participants. (Ref.# 1)

On the following day, the following information was also emailed via the RFP Website to the public:

From: gpccap@acciongroup.com
To: [Distribution List]
Subject: GPC Capacity 2022-2028 Launch Notification

This is a notification to all GPC registrants from previous solicitations.

Georgia Power is pleased to announce the launch of its 2022-2028 Capacity Request For Proposals. This capacity-based RFP is designed to procure resources to meet Georgia Power's customers' capacity needs as reflected in the 2019 Integrated Resource Plan approved by the Georgia Public Service Commission on July 2019. More information is coming soon. Interested parties are encouraged to become familiar with the IE Website at:

https://gpc2022-2028capacityrfp.accionpower.com

Registration is required through the website as it will be the means of communication between Georgia Power and interested participants.
Logged: 10/2/2019 11:11:45 AM

C. REGISTRATION TO THE RFP WEBSITE

The IE is satisfied that GPC used reasonable efforts to disseminate information about this RFP. There were 427 individuals registered on the IE Website from a total of 41 jurisdictions, including registrants from Canada. The IE believes this level of interest confirms that developers were well aware of this RFP.

The following charts shown in Figures 8 and 9 show the breakdown of all registered users on the 2022-2028 Capacity RFP Website by category and by state of the registrant.

Figure 8

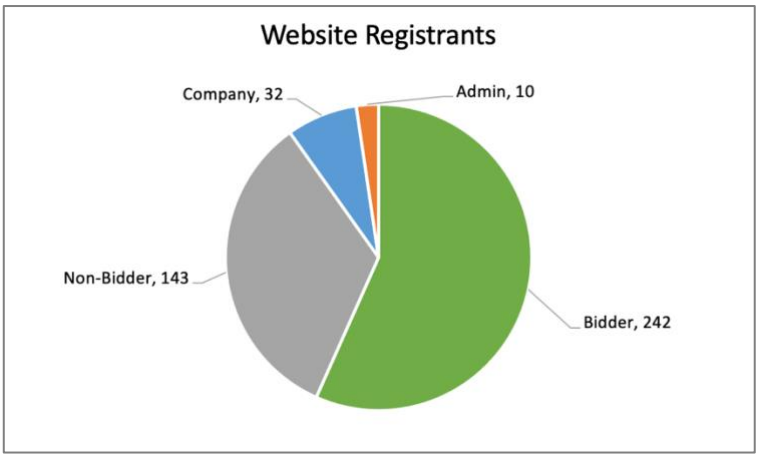


Figure 9

States Represented	# Of Registrants
Alabama	34
Arizona	4
British Columbia, CA	2
California	33
Colorado	13
Connecticut	3
District of Columbia	5
Florida	27
Georgia	125
Idaho	1
Illinois	14
Indiana	2
Iowa	1
Kansas	1
Kentucky	1
Louisiana	1
Manitoba, CA	1
Maryland	4
Massachusetts	4
Michigan	2
Minnesota	5
Mississippi	3

States Represented	# Of Registrants
Missouri	4
Montana	1
Nevada	3
New Hampshire	2
New Jersey	7
New Mexico	1
New York	16
North Carolina	29
Ohio	2
Ontario, CA	8
Oregon	3
Pennsylvania	4
South Carolina	7
Tennessee	8
Texas	22
Utah	3
Virginia	7
Washington	1
Wisconsin	1
Total:	**415**[13]

[13] 12 company and IE registrations did not include states or jurisdictions, resulting in this discrepancy.

244 North Main Street • Concord, NH 03301 • Phone: 603-229-1644 • Fax: 603-225-4923 • advisors@acciongroup.com

VI. RFP DOCUMENTS

On July 1, 2020, GPC filed with the GPSC the documents the Company requested for use regarding the Capacity 2022-2028 RFP. The RFP Documents were prepared by the Evaluation Team, the IE, and Staff based on the documents previously approved by the Commission for use in prior solicitations, such as, the 2009, 2010, 2011, 2012, 2015, ASI, ASI Prime, REDI I and II, and Utility Scale Renewable RFPs and reviewed by the IE and Staff prior to being finalized.

The IE believes the RFP Documents provided sufficient detail to permit a qualified Bidder to understand the terms and conditions of the RFP, and to prepare a responsive Bid. The IE noted that the evaluation process, as presented in the draft RFP, was descriptive, and appropriate. As with prior RFPs, GPC made personnel available to work with the IE and the Staff to review each provision of the RFP Documents. The review was comprehensive, and included consideration of all terms and conditions, regardless of whether they had been previously approved for use in a different RFP.

The IE believes the Draft RFP Documents were comprehensive and free of apparent bias for or against any Bid type, any of the identified technology options, or any Bidder anticipated to participate in this RFP. Further, the RFP made appropriate provisions to treat all Bids when submitted in an equivalent manner. The RFP clearly described the preferred products sought by the Company and the minimum requirements a Bid must meet in order to be considered. The RFP terms, such as pricing structure, creditworthiness, transmission access, and reliability, were equally applicable to all Bidders.

A. INPUT FROM INTERESTED PARTIES

The Commission's rules provided that "[p]otential Bidders may submit written questions or recommendations to the IE regarding the draft RFP and RFP Documents in advance of the Bidder's Conference." Rule 515-3-4-.04 (3) (e) 1,iv,III,iv. This rule was honored; the IE and Staff provided a Comment Period within which to accept questions and Comments from April 30 through May 18, 2020. The IE understands this rule to permit Bidders to submit Comments, as opposed to making Comments mandatory, and that all interested parties would adhere to the same procedural schedule.

Potential Bidders and interested persons were invited to participate in a Bidders' Conference Webinar during which they could ask questions regarding the RFP. In addition, they were encouraged to post anonymous questions, via the Q&A feature available on the Website, and Bidders were provided the opportunity to submit comments via the Website Comment feature for the purpose of suggesting changes to the Draft RFP Documents. As previously noted in this report, each question or Comment was reviewed by the Evaluation Team, Staff, and the IE before being posted on the IE Website. A number of potential Bidders availed themselves of these opportunities. A more detailed discussion of Comments can be found in the "b. Comments" Section that follows.

a. Bidders Conference

On March 13, 2020 the Company announced via the IE Website that due to the evolving COVID-19 situation, the Capacity 2022-2028 Bidders' Conference would be hosted via webinar only. The Bidders' Conference was subsequently announced on April 30, 2020 as being offered on May 12, 2020. Registration was conducted via the RFP Website, and upon successful registration, confirmation was provided via email. The following shows an example confirmation for registration:

From: gpccap@acciongroup.com
To: [Registrant]
Subject: GPC Capacity RFP 2022 - Bidder's Conference Webinar Registration Confirmation

Thank you for registering for the Bidder's Conference Webinar.
Webinar Call-in details will be emailed to everyone you registered within 24 hours of the event.
Thank you.

https://gpc2022-2028capacityrfp.accionpower.com

Those who registered received call-in details the day before the Webinar via email. Any user who registered within 24 hours of the Webinar received call-in details with their registration confirmation.

GPC provided an overview of the RFP, and the IE provided an overview of the process and the RFP Website. At the Conference, the following topics were reviewed:

- GPC 2019 IRP
- The role of the IE
- Standards of Conduct
- RFP Website Use and Goals/Demonstration
- RFP Timeline
- RFP Overview
- RFP Storage Option
- Qualifying Facilities and New Biomass
- Transmission and Interconnection Considerations
- Bidding Process

164 individuals registered to attend the Bidders' Conference Webinar. Bidders were given an opportunity to ask questions during the Bidders' Conference. Bidders asked a total of 25 questions, all of which were answered by the Evaluation Team and reviewed by the IE and Staff. The questions and written responses, as well as the presentation slides and a recording of the webinar, were posted on the 2022-2028 Capacity RFP Website. Bidders were advised that the written responses were to be used when preparing Bids, as the oral response at the Bidders' Conference Webinar may have been incomplete.

The IE believes that providing potential Bidders with these opportunities to understand the RFP terms and conditions, when combined with the 24x7 access to ask questions via the RFP Website, provided Bidders with ample opportunities to fully appreciate what was being sought in the solicitation.

b. Comments

An opportunity was provided for prospective Bidders to propose changes to Draft RFP and PPA Documents by providing Comments which were to be reviewed by the GPC Evaluation Team, IE, and Staff. The identity of the source of Comments was not to be shared with other Bidders. An announcement was posted on the RFP Website on April 30, 2020 detailing the Comments opportunity:

4/30/2020 2:53:03 PM

*The draft **2022-28 Capacity RFP** and pro forma PPAs are now available for comments using the comment feature on the Independent Evaluator's (IE) Website. The documents are also available for review on the "Documents" tab of the Website. Potential bidders and interested parties have the opportunity to assist Georgia Power with finalizing the terms and conditions of the Capacity RFP and PPAs by offering comments and suggested edits to these documents. Georgia Power encourages feedback and questions regarding this RFP, which are to be submitted through the "Comments" tab. The **Comment Period for the Capacity RFP is now open and will remain open until 12:00 PM EPT (noon) on Monday, May 18, 2020.** Please note, once the Capacity RFP documents are approved by the Georgia Public Service Commission, the terms and conditions of the RFP and PPAs will be final and no substantive changes will be permitted.*

A total of 69 Comments were received and processed. [14] While five Draft RFP Documents were posted for comment, users submitted Comments for only 3 documents: 46 Comments were submitted regarding the Draft RFP, 6 regarding the Draft Pro Forma CT Capacity PPA, and 17 regarding the Draft Pro Forma BESS Plus Charging Solar Capacity PPA. The IE believes the Commission was wise to include this opportunity in the competitive solicitation rules, and that it is beneficial to the process. The Staff, GPC Evaluation Team members, and IE knew the source of each Comment. The IE believes the Comment process was worthwhile and the resulting documents were improved in clarity.

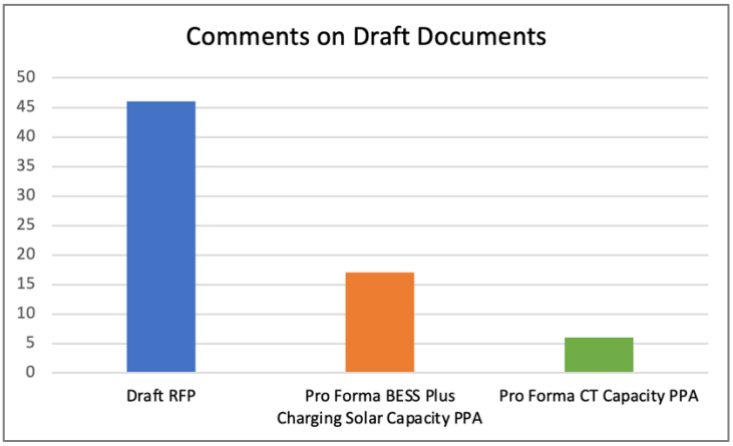
A total of seven (7) users submitted Comments to the draft documents. One user submitted 31 Comments representing 45% of all Comments made; collectively, 3 Users submitted 56 Comments, or 81% of the total Comments received. The following Table identifies the Comments submitted, filtered by Document, User, and number of Comments per User. Users have been assigned a Blind ID to maintain confidentiality.

Figure 10

Document	Blind ID	Total Comments
Draft RFP	A	14
Draft RFP	B	1
Draft RFP	C	5
Draft RFP	D	2
Draft RFP	E	6
Draft RFP	F	4
Draft RFP	G	14
Draft Pro Forma BESS Plus Charging Solar Capacity PPA	A	17
Draft Pro Forma CT Capacity PPA	C	6

[14] Of the 69 Comments received, 8 Comments were related to the Biomass solicitation, while 19 did not address specific provisions of the Documents, and for that reason answers to the inquiries were provided on the Website Q&A page.

Figure 11



Draft RFP Documents were first posted on the IE Website on April 30, 2020 and Comments were received until May 18, 2020. A summary of changes and redline comparison drafts of the documents inclusive of changes were posted on the Website on July 1, 2020; Final RFP Documents were posted on August 31, 2020.

The IE believes the bidding community expected that all interested persons would be held to the same standards, and the Commission rules applied without exception. Deviation from this standard would encourage Bidders to seek special treatment and access, and would result in fewer credible Bids being received if Bidders believe competitors have the ability to manipulate the rules in any manner.

All Comments were submitted via the Comment Page on the RFP Website. The Evaluation Team, the Staff and the IE agreed on the disposition of each comment and no Bidder contacted the IE after the comment period to express concerns about the final documents, or to assert that the final RFP requirements would prevent the Bidder from presenting a proposal.

VII. BID RECEIPT

The Bid Form was released on the RFP Website for Bidders to complete on August 31, 2020 with October 9, 2020 established as the date bids were due. On October 2, 2020, one week prior to the Bid closure date, the IE sent the following reminder to all Bidders registered on the RFP Website:

> ***From: gpccap@acciongroup.com***
> ***To: [Bidder]***
> ***Subject: GPC Capacity RFP 2022 - Bid Closes in One Week***
>
> *The GPC Capacity RFP 2022 Bid period is scheduled to close in one week on 10/9/2020 12:00:00 PM EPT.*
>
> *https://gpc2022-2028capacityrfp.accionpower.com*
>
> *Logged: 10/2/2020 12:02:21 PM*
> *Template ID: 238*

On October 6, 2020, the GPSC issued an Order modifying the 50 MW Biomass portion of the RFP. An Announcement was posted on the IE Website and sent to all registered users of the ordered changes:

From: gpccap@acciongroup.com
To: [Registrant]
Subject: GPC Capacity RFP 2022 - Announcement Posting
Please do not reply to this auto-generated email.

An announcement has been posted on the GPC Capacity RFP 2022 website. Information about the announcement follows:

Reference #: 8
Date Posted: 10/6/2020 1:43:53 PM
Announcement:
Today, the Georgia Public Service Commission voted to change the 50 MW New Biomass RFP, modifying its Order Approving the Capacity RFP and Pro Forma PPAs in three substantive ways:

1. *The Commission has ordered Georgia Power to add an additional 10 MW to the 50 MW New Biomass portion of the RFP, which means the Company has now been ordered to seek to procure 60 MW of new biomass generation for its customers. Effective immediately, the 50 MW New Biomass RFP will be referred to as the 60 MW New Biomass RFP.*
2. *The Commission has reversed its requirement for any biomass bidder competing in the 60 MW New Biomass RFP to cap its bid size to 25 MW. Therefore, effective immediately, any biomass bidder participating in the 60 MW New Biomass RFP may increase the size of its bid up to 60 MW.*
3. *The Commission has extended the bid due date applicable to the 60 MW New Biomass RFP for an additional ten (10) days (until **Monday, October 19, 2020**). For the avoidance of doubt, this bid due date extension is **only** applicable to biomass bidders participating in the 60 MW New Biomass RFP. Any bidder of any generation technology type, including biomass, that intends to participate in the 1,000 to 3,000 MW portion of the 2022-2028 Capacity RFP must still submit its bid by this **Friday, October 09, 2020**. Accordingly, all biomass bidders are hereby notified that the 60 MW New Biomass RFP will accept bids sized up to 60 MW; provided, however, the resizing of any existing bid, or any new bid, must be submitted by 12:00 noon (Eastern Prevailing Time) on **Monday, October 19, 2020**. Please direct any questions concerning this announcement to the IE Website.*
   https://gpc2022-2028capacityrfp.accionpower.com

Accordingly, Bids were received on October 9, 2020 at 12:00 PM ET on the Capacity silo, and on October 19, 2020 at 12:00 PM ET for the Biomass silo. Bidders on the Capacity silo and the newly released 60 MW Biomass silo were subsequently sent reminders of the bid due date 7, 2, and 1 days in advance of the Bid form closure. The following is an example of the notification sent 24 hours in advance of the bid closure on the Capacity silo:

From: gpccap@acciongroup.com
To: [Bidder]
Subject: GPC Capacity RFP 2022 - Upcoming Bid Close

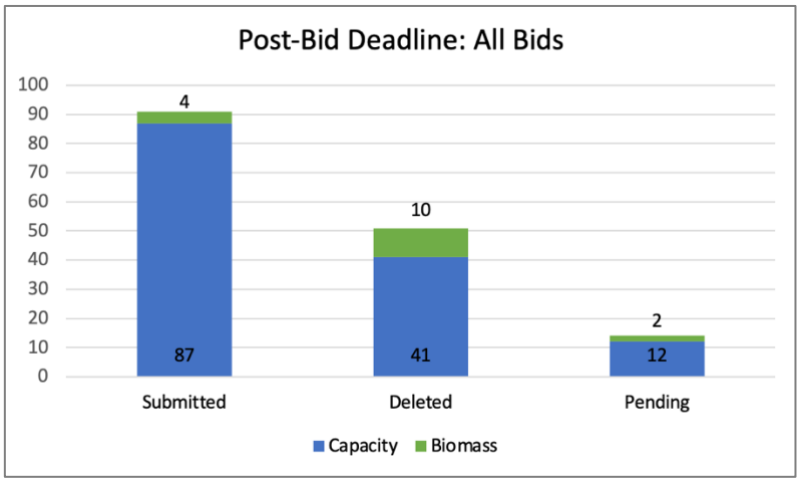
The GPC Capacity RFP 2022 Bid period is scheduled to close in 24 hours on 10/9/2020 12:00:00 PM EPT.

https://gpc2022-2028capacityrfp.accionpower.com

Following the Bid deadline, there were a total of 91 Bids submitted by 16 Bidders. The greatest number of Bids submitted by a single Bidder was thirty-five (35), and the average (median) number of Bids submitted per Bidder was two (2).

In addition to the Bids submitted, there were 65 that were not submitted for two reasons. One reason was that a Bidder did complete the Bid Forms, but did not submit the Bid and therefore, their un-submitted Bids remained incomplete or "pending" once the Bid deadline passed. The other reason was that a Bidder chose not to continue using the Bid Form and subsequently deleted Bid(s). Figure 12 identifies the status of all Bids on the RFP Website.

Figure 12



VIII. BID FEES; BID BONDS; DUE DILIGENCE FEES; WINNER'S FEES

A. BID FEES

To help defray the cost of performing evaluation of Bids, and the cost of retaining the IE, a Bid Fee was required of each Bidder for each bid submitted for consideration in the RFP. As defined in the RFP:

> *"**Bid Fee**" means the non-refundable fee a bidder is required to submit with each bid to defray costs of performing an evaluation of each bid.*

Each Bidder was required to submit with each Bid Proposal a non-refundable fee of fifteen thousand dollars ($15,000) ("Bid Fee"), with the first five thousand dollars ($5,000) of each Bid Fee used to defray a portion of the IE cost. Bid Fees were paid electronically following the instructions provided in the RFP. Additionally, specific instructions were provided on the IE Website and in the Bid Form as follows:

> *Each Bidder must pay a non-refundable "Bid Fee" of $15,000, at the time each Bid is submitted.*
>
> *In accordance with Section VII. Bid Fees, Due Diligence Fees, Winner's Fee of the RFP:*
>
> *A bidder may submit multiple bids in response to this RFP. If a bidder submits separate proposals that vary regarding certain critical parameters, including, but not limited to, the Site, output, electrical characteristics, and technology (e.g., gas-fired CC and simple cycle CT facilities, cogeneration, primary fuel, BESS duration), such bidder will be required to pay a Bid Fee of fifteen thousand dollars ($15,000.00) for each such proposal. However, proposals submitted by one bidder for the same Site utilizing the same generation technology and size that offer options in the fuel plan, or fixed cost components, or BESS capacity, will be considered a single bid proposal. In addition, bid proposals for the same Site containing options in the number of generating units offered will be considered a*

single bid if the generation technology is the same and the operational parameters and variable pricing are the same in all proposals.

In addition, submission of PPA proposals for 10, 15 and 30-year terms with all performance and variable pricing characteristics remaining the same will be considered one bid.

Bid Fees must be remitted via electronic funds by Wire Transfer or ACH to Accion Group. The IE, in consultation with the Evaluation Team, will confirm whether a bidder's submission constitutes one or more bids based on the criteria described above.

The Bid Fee must be received by 12:00 PM EPT on the RFP Bid due date posted on the RFP Website.

In absence of the timely payment of the Bid Fee, your Bid will not be considered.

The RFP allowed Bidders the option to submit multiple Bids for one Bid Fee. The options and details were clearly identified and explained in the RFP Final Documents as *Multiple Bid Submissions*, *Unique Bids* and *Pricing Alternatives*.

a. Multiple Bid Submissions.

A bidder could submit multiple bids in response to this RFP. If a bidder submitted separate proposals with varied parameters including, but not limited to, the Site, output, electrical characteristics, and technology, the bidder was required to pay one Bid Fee of fifteen thousand dollars ($15,000.00) for each proposal. However, proposals submitted by one bidder for the same Site, size and same generation technology, but offering options in the fuel plan for fixed cost components, or BESS capacity, were considered a single proposal.

Additionally, if the generation technology was the same and the operational parameters and variable pricing were the same in all proposal, Bid proposals for the same Site containing options in the number of generating units offered was considered a single bid.

Finally, the submission of PPA proposals for 10, 15 and 30-year Terms with all performance and variable pricing characteristics remaining the same was considered as one bid.

b. Unique Bids.

Each bid had to be unique with respect to the PPA Term, Facility location, size, POI, Southern Transmission Interface (if applicable), and any characteristics that would alter the amount or timing of the delivery of energy from the Facility (*e.g.*, Storage duration, start dates, variable pricing). For the purpose of Bid Fees, bids identical in all respects, but otherwise offering differing PPA Term lengths, were considered a single bid. Bids had to specify if the proposal was dependent on another bid submitted in response to this or another RFP.

The IE believes this was appropriate, and that when there were changes to the characteristics of a Bid, such as location, number of MWs or technology, a separate Bid Fee was required.

c. Pricing Alternatives.

For each bid submitted, a bidder was permitted to provide up to two pricing alternatives: (1) a fixed price for the selected Term (*e.g.*, ten (10), fifteen (15), or thirty (30) Annual Periods), and (2) a schedule of

annual prices. Georgia Power considered a bid proposing two pricing alternatives as one bid with only one Bid Fee.

Without a Bid Fee, ratepayers would be charged the entire cost of conducting the RFP, including the cost of personnel to review all Bids, regardless of the quality of each Bid. Additionally, without a Bid Fee there would have been no incentive for a Bidder to limit Bids to their best offers, and every incentive to file Bids that were redundant, except for small variations. The IE believes the Bid Fee was both reasonable and equally applied.

Bid fees were received by the IE and confirmed before the associated bid was evaluated. Bid fees were transferred to GPC on December 13, 2021. No bids were rejected for failure to pay a Bid Fee. The total amount of fees received can be found in Confidential Appendix A.

B. BID BONDS AND PERFORMANCE SECURITY

Any Bidder with a Bid selected for the Competitive Tier was required to post a bond ("Bid Bond") within fifteen (15) Business Days. As defined in the RFP:

> *"**Bid Bond**" means a bond in the form of (**i**) cash, (**ii**) Surety Bond issued by a Creditworthy Person or a Person rated at least A- by AM Best, if rated by AM Best, or (**iii**) a Letter of Credit, equal to the product of two percent (2%) multiplied by the sum of the expected revenues during the Term of the PPA.*

This requirement was newly introduced in previous Renewable Utility Scale Solicitations and was additionally implemented for this solicitation. The IE believes it was a successful tool in having only serious Bids considered as part of the Competitive Tier. Bidders could decline to post a Bid Bond, and have the associated Bid removed from consideration, but once the Bid Bond was posted, Bidders were committed to keep their Bid(s) available through the final evaluation, and if selected for contracted, were committed to execute a PPA or forfeit the bond. This tool was a valuable tool in the effort to ensure that the entire portfolio was filled in accordance with the Solicitation Schedule, and to establish that only committed Bids would be part of the final evaluation.

The Bid Bond had to be posted within 15 Business Days in the form of:

- Cash Bid Bonds were submitted to Georgia Power through the IE Website according to the instructions posted on the Documents Page;
- Surety Bonds issued by a Person having a general long-term senior unsecured debt rating of A minus or higher as rated by S&P, or A3 or higher as rated by Moody's, or A minus or higher as rated by Fitch, or a Person rated at least A- by AM Best, if rated by AM; or
- Letter of Credit, equal to the product of two percent (2%) multiplied by the sum of the expected revenues during the Term of the PPA.

Each Bidder with a Bid selected for the Competitive Tier that intended to provide a Bid Bond in the form of a Surety Bond or a Letter of Credit was required to upload to its Bid Book a draft (unissued) Surety Bond or Letter of Credit for review and approval by the Evaluation Team, at least five (5) Business Days before the Bid Bond due date. An acceptable Surety Bond Form was available on the IE Website, along with instructions for posting the draft and final Bid Bond.

The Bid Bond was fully refundable to the Bidder if such Bid was placed on the Release List, or on the date Seller and Georgia Power executed the PPA for such winning Bid. If the Bid Bond was in the form of cash or a Letter of Credit, the Bidder could opt to convert the Bid Bond to the required Performance Security at the time of PPA execution. Alternatively, pursuant to the RFP the Bidder could replace the Bid Bond with another acceptable form of Performance Security.

The Bid Bond was non-refundable if a Bidder withdrew its Bid or otherwise failed to execute the pro-forma PPA after being selected for the Competitive Tier. No Bidder forfeited the Bid Bond instead of remaining in the process through completion.

Pursuant to the PPA, Performance Security was required for the winning bids. This security was to protect ratepayers in the event of default after a PPA is signed. Performance Security was calculated as a percentage of the total revenue during the term of the and each Bidder offered a PPA was advised of the amount of security to be provided. This process works well in that only serious Bidders proceed through the evaluation process, with no Bidder failing to execute a proffered PPA.

C. DUE DILIGENCE FEES

Once selected for the competitive Tier, the APSA Bid proceeded through the specific Due Diligence steps outlined in Attachment A of the RFP: [15]

The first step in the Due Diligence process was the Initial Economic Screen, which included O&M costs, fuel procurement costs, necessary transmission investments and constraints and any other estimated transition costs.

1. Initial Due Diligence Fee

The RFP provided for APSA bidders to pay Due Diligence fees to defray the cost of evaluation. Because it was not possible to anticipate the number of APSA bids that would be received, or the level of complexity of review, four due diligence installments were identified in the RFP. This was designed to have bidders pay additional fees if their APSA bid was subject to progressively more extensive evaluation, but to only assign those costs to bids that continued to be under consideration. The APSA due diligence was completed without the need for the second, third, or fourth installment of due diligence fees.

APSA Bidders submitted an initial Due Diligence Fee of $135,000 within the 15 Business Days after the APSA Bid was selected for the Competitive Tier to cover the initial due diligence costs to partially offset the high cost of screening and assessments of an asset purchase. Before the Evaluation Team began review of the APSA Bids, Bidder had to have submitted the Due Diligence Fee.

The first due diligence phase of review included, as stated in the RFP:

- Technical and engineering review of major equipment and balance of plant components
- Preliminary review of environmental controls, systems, permits and associated limits or requirements

[15] Final Approved 2022-2028 Capacity RFP August 31, 2020, Attachment A.

- Preliminary evaluation of existing fuel procurement strategies.
- Initial physical site review and inspection
- Transmission review, and
- Southern System Value Review (*i.e.*, system integration value)

D. WINNERS FEE'S

A portion of each Bid Fee and Due Diligence Fee in the amount of five thousand dollars ($5,000.00) was earmarked to offset IE costs. The remainder of the cost of the IE was covered by a "Winners' Fee" assessed upon the winning bid(s) defined in the RPF as:

> ***"Winner's Fee**" means the fee assessed upon each winning bid to cover a portion of the IE cost.*

The Winner's Fee was determined once the final amount of all Bid Fees, Due Diligence Fees, and IE costs were reconciled. The remainder of the Winner's Fee could not exceed five hundred thousand dollars ($500,000.00). In the case of multiple winning bids, the Winner's Fee was allocated to winning bidder(s) on a MW-term basis for Commission-certified PPA(s) and a MW-estimated-remaining-life basis for Commission-certified APSA(s). The Winner's Fee was paid by wire transfer to the Georgia Power Company. The final Winner's Fee was $481,515.

IX. EVALUATION PROCESS

A. RFP BID DATA REQUESTED

The capacity RFP requested capacity from existing or new resources and included gas, storage, and storage paired with renewable projects. Projects could be bid in as Purchase Power Agreements or Asset Purchase Sale Agreements, but turnkey proposals were not permitted. PPAs were allowed to be bid at 10, 15, and 30 year terms. The RFP designated that the bid must be for the full output of the generating facility but there was flexibility to offer multiple units into a single bid proposal. The resource must be fully dispatchable and Combined Cycle and Battery Storage resources operating with Automatic Generation Control (AGC).

The bid form on the IE Website required details regarding price and other information about the project. The following items summarize the information as sought through the bid form materials.

A. Documentation of the Bidder's previous experience providing the proposed product.

B. Financial and credit information for the Bidder's company and for proposed Seller Guarantor, if applicable, such as:

   a. Annual reports and Form 10-K for the past three (3) years. If these documents are not available, audited financial statements for the last three years will be accepted.

   b. Dunn and Bradstreet identification number.

   c. Credit rating of the Bidder's (and Seller Guarantor's) senior debt securities.

d. Any additional documentation needed to determine the Bidder's financial strength and/or the strength of any Seller Guarantor.

C. For a bid proposing to develop a New Resource, a description of the status of all activities necessary to fully develop and implement the Project, such as negotiations for partnership agreements, equipment supplier agreements, EPC agreements, fuel transportation and fuel supply agreements, if applicable, permitting (particularly the air permit and associated emission levels sought), financing, etc. Any and all contingencies must be described in detail.

D. For a bid proposing to develop a New Resource, if the Bidder cannot demonstrate to the Company's reasonable satisfaction that the Bidder possesses the requisite expertise and experience in providing or operating the proposed resource, then such Bidder will provide a certification from an independent, registered engineer acceptable to the Company to the effect that the Bidder's arrangements are sufficiently firm and binding as to provide a comparable level of experience and expertise in developing and operating the entire proposed resource.

E. Description whether this capacity has been offered/committed in response to another RFP or otherwise and, if so, how it would be released to satisfy the need in this RFP.

F. Description of the firmness of the Bidder's offer and documentation that supports the Bidder's description.

G. The following information was required to be uploaded as part of the bid form submission:

a. A U.S.G.S. 71/2-minute series topographic map indicating the Facility location.

b. A one-line diagram of the electrical system depicting the Facility's generator(s) or storage device, the generator or storage device step-up transformer(s), collector bus(es), high voltage circuit breaker(s) and connections to the Southern Company Transmission System. In addition, each bidder must clearly mark the proposed Point of Interconnection on such one-line diagram and clearly indicate the line of demarcation between the Facility and the Transmission Provider's facilities. A bidder proposing a BESS with Renewable Resource must indicate on the one-line diagram the Renewable Resource's proposed Point of Interconnection to the Southern Company Transmission System as well as the meter locations for (**i**) the BESS to the Point of Interconnection, (**ii**) the Renewable Resource to the BESS when charging (**iii**) the Renewable Resource to the Point of Interconnection, (**iv**) from the Point of Interconnection to the BESS when grid charging, (**v**) for Station Service.

c. A detailed description of the fuel and water supplies, as applicable, (including source, quality, adequacy, and water permits), location and quantity available for CC/CT and biomass bids and the grid charging plan for any Storage Bid.

d. A thorough description of anticipated environmental impacts and compliance, including expected air emissions and required offsets if any, for both new and existing physical resources, for the full Term of the PPA.

e. The unit's quick start capability. If bidding this feature, the unit must have the ability to go from first discharge to synchronization in less than ten (10) minutes. The Company as Buyer will provide the Seller with five (5) minutes notice to achieve first discharge.

f. Unit design specifications for emissions rates, capacity for each operating mode, as applicable, and maintenance requirements. Where applicable, such information must be provided separately for gas operation and oil operation.

For Existing Resources, also provide the age of the unit and major equipment, and recent historical information sufficient to demonstrate the emissions rates, capacity for each operating mode and maintenance.

For Storage Bids, also provide the manufacturer, make, model of the major storage equipment /devices.

g. For a New Resource, a construction schedule with all major milestones and activities from award of PPA through Commercial Operation, including permitting activities.

h. Site Control Affidavit.

H. Consistent with manufacturer's recommendations, description of any minimum schedule or minimum down time for the Facility and provide the ramp rate and minimum output for the Facility. For gas units, include in the description how the Facility's design accommodates maximum turndown while maintaining emissions within required limits throughout the turndown range.

I. Description of any other limitations on the use or availability of the energy.

J. Identification of any pre-existing fuel arrangements and whether and how the bidder will assign to the Company its pre-existing fuel arrangements, as applicable. For Storage Bids, identification of any transmission service in place for the proposed Facility.

K. For CC and CT bids, the following information regarding any backup fuel oil capability:

a. Any costs to be borne by the Company related to backup fuel oil.

b. The storage capability of the on-site fuel oil storage tank.

c. The maximum hourly replenishment rate for fuel oil.

d. The permitted equivalent emissions rates while operating on fuel oil.

e. When the Facility is operating on fuel oil, definition of the operational constraints that result from environmental limits specified in the air permit. If there is a limit on the number of annual hours of operation, identify the cumulative hour limit.

f. Whether the capacity has a demineralized water system, or any other systems, that cause an operational limitation for the Facility operating on fuel oil.

g. Any limits, other than the air permit limits, to the Company's rights to schedule the Facility on fuel oil.

L. To the extent not covered by the Environmental Affidavit, a thorough description of anticipated environmental impact and compliance activities

M. PPA Capacity Price Escalation:

A PPA bidder may submit a bid with the capacity payment escalated at a fixed percentage not to exceed two- and one-half percent (2.5%) in any year. The minimum yearly escalation for the capacity payment will be limited to zero percent (0%). All energy pricing, Variable O&M, and heat rates must be quoted as indicated in the Bid Form. Variable O&M must escalate at actual GDPIPD or actual GDPIPD plus or minus one percent (1%) per annum.

N. Energy Price:

Bidders are encouraged to bid variable costs consistent with their actual realized variable costs. The bid heat rate should closely approximate the anticipated heat rate. If the bid variable components are not consistent with design specifications of the Facility, the Company may request, through the IE, that a bidder modify its proposal(s). This cost-based pricing approach must reflect, but is not limited to, the following components, as applicable:

- Variable O&M
- Start Cost
- Heat Rate
- Fuel Commodity Cost

B. EVALUATION METHOD REVIEW

In the fall of 2020, Accion Group reviewed the evaluation framework designed by the Companies set forth in the RFP Documents. The IE conducted meetings with GPC and the Georgia Public Service Commission Staff and Staff consultants to clearly map out the process for evaluation ensuring that all parties were in agreement and the evaluation framework was reasonable.

The evaluation compared net evaluated costs of different capacity offers across PPAs, APSA Bids, and Company-owned proposals. This was done by calculating the net present value of generation and transmission aspects over the life of the asset in $/kW. The generation cost was comprised of both the fixed cost associated with the proposal and the variable cost associated with the operational parameters of the proposal, which was used in production cost modeling simulations.

Fixed costs comprised of the capacity payment for PPA bids, purchase price for APSAs, or the in-service costs for Company – owned proposals. Fixed costs included fixed fuel transportation and fixed startup costs where applicable. Finally, equity cost on PPAs was also included as fixed costs as discussed in detail in Attachment G of the RFP.

Variable costs included fuel cost, variable O&M, emission costs, or any grid charging costs for storage proposals. These costs were captured in a system production cost simulation and were compared across each bid to understand the system benefit of each bid. It was determined that Base Case 2020 IRP assumptions would be used for the analysis including load forecasts, gas forecasts, and retirement assumptions. The variable costs component was analyzed under four distinct scenarios:

1. Low Gas Forecast with $0 Carbon Forecast
2. Low Gas Forecast with $20 Carbon Forecast
3. Moderate Gas Forecast with $0 Carbon Forecast
4. Moderate Gas Forecast with $20 Carbon Forecast

The production cost results were averaged across the 4 scenarios. Because of PPA term differences and online dates, a front end and back-end filler assumption was included. The filler assumption was modeled as the lowest cost between the Economic Carrying Cost (ECC) of the best Company proposal or the ECC of a generic CT. Because there is not a need until Dec 1, 2024, there were no filler costs prior to that date. The evaluation period ran through 2068. As an example, if a PPA expired in 2040, there would be 28 years of a CT filler.

Transmission costs required for network improvements as well as losses were determined for each competitive tier bid and added to the bid costs. The transmission evaluation is discussed in more detail in the Transmission section of the Report. Finally, portfolio analysis was done to ensure the transmission impacts didn't change given specific portfolios selected.

C. STORAGE

Standalone Battery Storage was captured in the production cost model using the pump storage logic which essentially captured the energy arbitrage benefit of the project. The costs of grid charging were included, and energy arbitrage savings were captured during the dispatch of the storage.

Because the Company's procurement process currently separates renewable RFPs from capacity RFPs, storage paired with solar resources were evaluated in a manner that only captured the dispatchability of the storage device. There was no grid charging assumed with these projects as all charging was assumed to be from the renewable resource. The Company assumed one dispatch per day of the storage device and excess renewable generation was not evaluated since the Company is only seeking readily available dispatchable capacity. The discharging of the resource was based on system lambda to ensure the energy arbitrage value was provided to the battery.

D. NON PRICE EVALUATION

As laid out in the RFP, the Company maintained the right to consider non-price attributes when selecting the winning portfolio of proposals. These were listed as the following:

<u>Bidder Qualifications and Portfolio Considerations</u>

- Financial strength and credit rating of the bidder's company and Seller Guarantor, if applicable
- Technical competence (development and operational experience)
- Portfolio and technology diversity
- Remaining useful life of existing Facility

<u>Schedule for Development of New Resources</u>

- Reasonableness
- Contingencies
- Current developmental status of the project

- Status of necessary elements (*e.g.*, leases/options for land)

Resource Scheduling and Dispatch Flexibility

- Lead time for dispatch schedules
- Ability to change schedules daily/hourly
- Ability to quick start or curtail
- Minimum schedule and downtime
- Minimum operating level
- Dispatchability characteristics
- AGC capability
- Blackstart capability

Fuel and Energy

- Type of fuel
- Risk of fuel supply interruption
- Price risk
- Fuel oil storage and replenishment capabilities
- Deficiency in fuel oil operation permit hours
- Energy storage replenishment capabilities

Environmental Impact

- Emission compliance strategy
- Toxic release inventory emissions in the region
- Future permitting restrictions in the region for other industrial development
- Water requirements
- Endangered species mitigation

Transmission

- Impact on transmission interface capability
- Transmission delivery risk
- Voltage control
- Other grid impacts

E. MOCK BIDS

Once the evaluation was set, the IE formed a number of mock bids for the Company to evaluate to understand results and surface any non-intuitive results. The mock bids included all technology types: natural gas, storage, and storage paired with renewables. They also included different PPA lengths, APSA offers, and Company owned offers. Total offers evaluated by the Company in the mock bid process were 26 offers. With this analysis, the IE and Public Staff could see the details of how the evaluation would be performed and determine if the analysis yielded reasonable results or if outliers existed. There was significant discussion between the parties in regard to several components. These included the filler method, equity cost, fixed gas transportation for gas

plants, and storage modeling. Additional documentation was provided from GPC Finance on the equity cost and the method rating agencies use to impute debt on the Company's balance sheets. The parties reviewed and were comfortable with the equity cost calculations performed in the evaluation on PPAs. In regard to the filler method, the parties agreed that the lowest cost CT or the lowest cost Company proposal was a reasonable filler method to represent capacity during years when bids were not available.

Specific to the storage modeling, the IE found that the production cost model was giving little to no value to ancillary services for storage. After discussions with the Company and involvement from the model vendor, the production cost model inputs were adjusted to ensure energy arbitrage and ancillary service values were included in the evaluation. Given storage evaluation is evolving throughout the industry and models are adjusting, the IE recommends the Company move to a more sophisticated production cost model in future RFPs. While the IE finds the results are reasonable in the mock bid analysis and this evaluation given the bids offered, the model being used is dated and the Company should consider moving to a chronological dispatch model that can capture storage more rigorously.

Once the mock bid evaluation was complete and reviewed by the IE and Georgia Public Staff, the models were locked down before bids were received. This included revenue requirement models, production cost models, and Excel work papers used in the analysis.

F. INITIAL EVALUATION AND COMPETITIVE TIER

Because the filler method was dependent on the Company-owned Proposal and to add transparency and fairness to the bid evaluation, the Company-owned Proposal was evaluated first and locked down. It was determined that the proxy CT was cheaper than the Company-owned Proposal so the proxy CT was used as the filler in the overall evaluation.

Next APSAs were evaluated and locked down. Lastly, third party PPAs were evaluated. As part of the evaluation, the Company provided bidders opportunities to cure offers in a reasonable time frame. This curing process was performed via the RFP website where all interaction is documented.

The Company received over 6,000 MW of Unique Capacity Proposals which included 62 bids for PPAs, 7 APSA bids, and 1 bid for a Company Owned Proposal for a total of 70 bids. After the initial evaluation, all existing gas facilities made up of both CT and CC projects were the highest ranked offers and selected for the Competitive Tier. The capacity pricing and APSA prices on existing gas facilities were extremely competitive making new build projects of gas and storage products uncompetitive. The competitive tier consisted of 4,400 MW unique projects. While some were mutually exclusive, this included 2,800 MW of acquisitions and 3,700 MW of existing gas PPA offers.

As stated above, new build gas proposed by the Company and new storage projects all ranked behind the existing gas offers. The Company owned proposal and the best standalone storage and storage paired with renewable were put on the secondary list which allowed these offers to participate in the pricing refresh as outlined in the RFP. This secondary tier did not require bid bonds because they represented capacity far beyond the expected capacity need. This included approximately 2,300 MW of new build gas and storage facilities ranked behind the 4,400 MW of existing gas.

Once the competitive tier was determined, the IE and the Company continued its due diligence on the evaluation until the pricing refresh was conducted. Any corrections were documented in the evaluation workbooks but did not result in a shift of the Competitive Tier selections. Staff also participated in the due diligence effort and were given all evaluation files. The evaluation of the Competitive Tier is shown in Confidential Appendix B.

G. PRICE REFRESH

All Bidders in the competitive or secondary tier were allowed to reprice offers by lowering their capacity or purchase price, however no Bidder was permitted to increase their price. As part of the reprice process, each offer was given their relative rank and how their NPV evaluated cost compares against other offers. No Bidder or project identity was provided as part of the process. The bid refresh was due on July 2, 2021. Only 10 offers lowered their pricing as part of the refresh.

H. FINAL EVALUATION AND SHORT LIST

Transmission, Equity Costs, and fixed gas transportation (FT) were finalized on the projects after the price refresh to form a final evaluation and short list. Because the Company owns FT during this period, some of the projects were evaluated with different FT options. One option included incremental costs for FT and one based on the evergreen contracts already in place. Those results are shown in Confidential Appendix B along with the recommended shortlist. The recommended short list resulted from the top projects and resulted in 2,356 MW of winter capacity being selected.

X. APSA AND COP BID EVALUATION

A. OVERVIEW

The RFP was open to bids for acquisition by GPC of units already in commercial operation or a new capacity resource to be constructed.

The RFP allowed for the Company to submit one or more of its' own proposals ("Company Owned Proposals" or "COP") to meet some or all of the identified needs.

There were seven Asset Purchase and Sale Agreements ("APSA") submitted into the RFP: [16]

Bid No.	Sale Type	Technology	MW AC
A	APSA	Gas Combustion Turbine ("CT")	632
B	APSA	Gas Combined Cycle ("CC)	1,200
C	APSA	Gas Combined Cycle ("CC)	1,248
D	APSA	Gas Combined Cycle ("CC)	553
E	APSA	Gas Combustion Turbine ("CT")	360
F	APSA	Gas Combustion Turbine ("CT")	516
G	APSA	Gas Combustion Turbine ("CT")	194

[16] Bid Numbers have been blinded to maintain Bidder confidentiality. Original Bid Numbers can be found in Confidential Appendix C.

There was one Company-Owned Proposal ("COP") submitted into the RFP:

Bid No.	Sale Type	Technology	MW AC
H	COP	Gas Combined Cycle ("CC")	781

The standard for reviewing an acquisition bid was more strenuous than for PPA bids for the simple reason that, unlike with contracted supplies, with an acquisition GPC would be responsible for all associated costs for the life of unit. According, APSA and COP bids were required to provide extensive information about the operation of an existing facility, operation and maintenance records, site information, fuel supply records, fuel storage capability, and all details including spare parts. The IE provided a separate "silo" on the IE Website for acquisition bids so all records of bids and exchanges would be retained for GPSC review apart from the record of PPA bids. Access to the acquisition silo was strictly limited to the bidders of the associated bids, specific Staff members, and a finite group of GPC evaluation team members. This silo provided a unique message board to facilitate evaluation, while also avoiding the acquisition evaluation processes being comingled with questions relevant to the PPA bids.

The IE reviewed the APSA and COP bids to determine if they were complete and conforming to the information the APSA bidders were required to submit on the APSA bid form found on the IE Website. The detailed review included, but was not limited to:

FINANCIAL

Review status of all activities necessary to complete the sale of the Asset Facility:

- Creditor agreements
- Partnership agreements
- Power purchase agreements (or similar obligations)
- Long term service agreements (LTSA)
- Supplier agreements
- EPC agreements
- Equipment supplier agreements
- Fuel transport, supply agreements, inventory and associated contracts
- Appurtenances, inventory and rights to be assigned, gas lateral and spare parts
- Substation, interconnection facilities
- Other relevant unit costs, agreements or contracts as determined by GPC

SITE REVIEW

- Site inspection

- U.S.G.S. 71/2 minute series topographic map indicating plant location

TECHNICAL

- Independent engineers facility report
- Project description and design specification
- Site arrangement and technology description
- Single line diagram
- Fuel and water supply, environmental and compliance permitting
- Other relevant technical documentation as determined by GPC

OPERATIONS & MAINTENANCE

- Unit heat rate, availability and related operating characteristics
- Quick start capability (10 min/5 min notice)
- Minimum downtimes/ramp rates/output
- Emissions for each operating mode (gas/fuel oil)
- Operational limitations when operating on fuel oil
- O & M history (Independent engineer's facility report)

As the RFP required backup fuel capability, the IE reviewed the APSA bids and the COP bid for compliance. Three of the seven APSA bids and the COP bid had backup fuel oil capability.

Subsequent to and during the IE initial review of the APSA bids, the IE monitored all Q&A and message board exchanges between the GPC evaluation team and APSA bidders up to the final disposition of the bid. The IE communicated on an as needed basis with the GPC Evaluation Team or Bidders during the review of the APSA bids.

In the final ranking and included in the competitive tier were three APSA bids from two Bidders. These three bids are identified in Confidential Appendix C. These three bids advanced to the First Due Diligence Review,

which was the next step of the evaluation process for the APSA bids. Ultimately, all of the APSA bids failed when each of the bids was determined to be non-competitive. See: Confidential Appendix C.

B. DATA ROOM STRUCTURE

To collect, label and sort the due diligence documents of the acquisition bids, the IE provided a separate "silo" on the IE Website, to be accessible only to Competitive Tier participants and authorized personnel. As noted above, the separate silo was required because the APSA and COP proposal evaluations were significantly expanded to include documentation dating back to the Facility COD. The "online data room" was used to receive, sort, and register 800+ additional documents, files, and reports. The silo provided a means for supplemental information to be received, sorted, and filed. The access to the silo included the Bidders, GPC authorized personnel, Southern Company Services personnel, and the IE. All of the document uploads were time and date stamped creating a real time record of the evaluation process.

C. FIRST DUE DILIGENCE

Pursuant to the RFP, due diligence of the APSA bids was to be undertaken in four phases, with the first phase a high-level "fatal-flaw assessment" intended to eliminate any projects that are found to be unacceptable.

As stated in the RFP ("Final Approved 2022-2028 Capacity RFP [Aug. 31, 2020]") Attachment A, the APSA Bidder must recommend critical due diligence topics that the Company should include in the first due diligence review. The APSA Bidder must identify known plant equipment and operational concerns (e.g., vibrations, recurring problems or failures, needed maintenance, cracked turbine blades, etc.) and known legal or environmental issues concerning the Facility so key issues that could affect life-cycle costs or reliability of the Facility can be addressed.

The first due diligence phase consisted of a "fatal flaw assessment" to determine if there were significant issues that would call to question the value of the asset. The first due diligence review was designed to be preliminary. If the APSA bid continued to be competitively ranked, more in-depth review of the due diligence subject areas would be conducted.

The first due diligence phase of review included:

- Technical and engineering review of major equipment and balance of plant components
- Preliminary review of environmental controls ,systems, permits and associated limits or requirements
- Preliminary evaluation of existing fuel procurement strategies

- Initial physical site review and inspection
- Transmission review,
- Southern System Value Review (i.e., system integration value)

Specifically the sections reviewed by the IE were:

1. Mechanical
2. Electrical
3. Instrument and Controls
4. Environmental Systems

The IE prepared a report of the Phase 1 APSA Due Diligence Review and posted the report on the IE Website to provide access to the report by the GPC Evaluation Team, including the Southern Company Services members of the Evaluation Team. The IE listed specific recommendations for each of the three bids for follow-up request to provide reports, data and other information that was identified as missing, incomplete, pending completion, and/or currently under internal review. While the IE felt none of the omissions represented a potential fatal flaw, the IE acknowledged and recommended that this information be requested and reviewed.

D. SITE VISITS

Site visits were required in order to determine the present status of each facility and the accuracy of the data submitted with the associated bid. A virtual site visit was conducted for one of the bids because the long term familiarity with the plant made an on-site visit unnecessary, particularly during the ongoing pandemic. An on-site visit was conducted for the other facilities.

On-Site Visit

Prior to visiting the plant, a virtual presentation was conducted with the IE and the GPC Evaluation Team. The owner provided experts to discuss the mechanical, electrical, instrumentation and controls ("I&C") and environmental systems subject matter experts ("SME's"). The presentation included a joint facility management overview, the facility operations overview. Also included in the presentation were the plant site layout, key facility highlights, equipment overview, operations and maintenance history, an environmental and regulatory overview, key commercial agreements, major interconnections, and water supply.

The IE attended the plant site visit of the facility. A description of the facility is provided as Confidential Appendix D.

In attendance at the plant site meeting were mechanical, electrical, I&C and environmental systems SME's. The SMEs broke out into their respective teams and jointly inspected both facilities. The IE joined and observed the mechanical SMEs inspection of the facility.

The SME review by discipline included but was not limited to:

- Mechanical Engineering – Turbine Components, OEM model and vintage assessment, compressor systems, parts/inventory assessment

- Electrical Engineering – Transformers, switchyard, electrical single line drawings, GSU's, protection systems, excitation systems
- Instrumentation and Controls – DCS, I/O systems, connectivity, Ovation system, operating systems, monitoring systems, , electronic systems
- Data Acquisition and Cybersecurity – RTU's, telemetry PLUs, real time automation controllers, metering, PI Data historian/connectivity, NERC-CP compliance, data diodes
- High Energy Piping – Confirmed no HEP at this facility
- Water Chemistry – Confirmed water treatment/demineralization handled by contractor
- Gas and Steam Turbine Maintenance – Reviewed maintenance history, developed ongoing maintenance scope, strategy and costs
- Operations – Reviewed staffing, operations procedures, safety program
- Environmental Affairs – Permitting, compliance, potential duel fuel retrofits

The plant site is well maintained and no unkempt areas or random areas with debris were observed. The IE observed safety labeling compliance, proper safety signage and hazardous area warning signage.

The information exchange and discussions were open and complete. The SMEs shared the operation and maintenance history of the plant equipment, systems and controls. The plant owner also provided a current assessment of the plant equipment, systems and controls. And finally, the plant owner reviewed the current recommended future system upgrades and equipment enhancements options for consideration by GPC for the continued reliable operation of the plant.

Neither the IE nor the GPC subject matter experts noted any material observations that would preclude the continued evaluation of the facility. To assure the accuracy and eliminate potential misinterpretations of the Q&A, GPC posted the questions asked at the plant site visit on the website for the plant owner to provide responses.

Virtual Site Visit

The IE, following discussions with and at the recommendation of GPC technical subject matter experts, conducted a virtual plant site visit in lieu of an in person site visit.

During the virtual site visit the subject matter experts review included, but was not limited to:

- Mechanical Engineering – Turbine Components, OEM model and vintage assessment, compressor systems, parts/inventory assessment
- Electrical Engineering – Transformers, switchyard, electrical single line drawings, GSU's, protection systems, excitation systems
- Instrumentation and Controls – DCS, I/O systems, connectivity, Ovation system, operating systems, monitoring systems, , electronic systems

- Data Acquisition and Cybersecurity – RTU's, telemetry PLUs, real time automation controllers, metering, PI Data historian/connectivity, NERC-CP compliance, data diodes
- High Energy Piping – Confirmed no HEP at this facility
- Water Chemistry – Confirmed water treatment/demineralization handled by contractor
- Gas and Steam Turbine Maintenance – Reviewed maintenance history, developed ongoing maintenance scope, strategy and costs
- Operations – Reviewed staffing, operations procedures, safety program
- Environmental Affairs – Permitting, compliance, potential duel fuel retrofits

Neither the IE nor the GPC subject matter experts noted any material observations that would preclude the continued evaluation of the facility.

E. REVIEW OF GPC O&M MODEL

All Operations and Maintenance ("O&M") related costs were modeled using Southern Company's standard O&M model ("O&M Model"). The O&M Model is an excel-based template that uses past and projected operations profiles to forecast future costs.

The IE reviewed the O&M Model GPC used to evaluate the APSA bids that were in the competitive tier. The review included a demonstration of the model, including the opportunity for the IE to suggest data inputs and review the modeling results. The IE found the model to be comprehensive in identifying and capturing the relevant data needed to conduct a thorough review of a plant's operation and maintenance. The scope of the O&M review is consistent with the breadth of review conducted by the IE. The IE understands the O&M Model was developed by Southern Company Services, is proprietary, and used as the basis for O&M review of existing generating facilities in the Southern Company. The IE found the model to be consistent with industry standards. The following is a summary of the scope and operation of the model.

Costs are allocated into three primary categories:

- Fixed O&M ("FOM") – costs that are not generally impacted by the operations profile of the unit(s) but are otherwise not capitalized for rate treatment. Generally, these include labor costs, overhead costs, corporate/A&G support, permitting, and other annual expenses (subcontracts, office/warehouse costs, etc.). Inventory Carrying Costs ("ICC") are also included in FOM.

- Variable O&M ("VOM") – costs that are linked to the operations profile of the unit(s). These are typically based on starts and/or run hours but are otherwise not capitalized for rate treatment. Generally, these include the uncapitalized expenses related to gas turbine major maintenance activities, replacement of consumable items, balance-of-plant (BOP) items, and overtime labor costs.

- Capital for Maintenance – O&M items that are capitalized for rate treatment. Maintenance capital typically includes a portion of all gas turbine major maintenance activities, replacement costs of major components, rolling stock replacement, and control system modifications/upgrades.

General Assumptions:

The O&M Model considers multiple factors in determining the maintenance needs of the units(s). These factors include the OEM, model/class, and configuration of the unit(s). In the case of APSAs, the model was seeded with historical run profiles dating back to the units' COD. Staffing assumptions, rolling stock/capital equipment needs, and consumable needs were based on Southern Company's best practices and augmented with externally sourced information where appropriate.

Major Maintenance:

When modeling major maintenance intervals and scope, it was first determined if the unit would have a long-term service agreement ("LTSA") or if maintenance would be self-performed. For APSA bids, this determination is informed by several factors including the current maintenance practices at the units, Southern Company best practices, and recommendations from the technical subject matter experts.

Once an overall maintenance strategy had been selected, determining appropriate maintenance intervals are commensurate with OEM recommendations, including frequency, start or hours-based intervals, and factoring of starts and hours. The same considerations are employed when determining the seed data used to approximate historical run profiles.

Cost data for major maintenance is sourced from LTSA terms, industry publications, and company historical data and insights.

Updates to the O&M Model:

Baseline O&M models were prepared using information provided by bidders in their initial data request responses that accompanied their bids. These models reflected the historical data provided by the bidders and any information on prior maintenance practices. As the due diligence process unfolded, the models were periodically updated to reflect any and all relevant information provided by the bidders or otherwise gleaned from the due diligence efforts.

The IE notes the efficacy of the O&M Model given the level of detail of the model inputs. During the first due diligence the IE noted a significant future expense to be considered when determining the long-term valuation of the facilities. This is discussed in Confidential Appendix E.

F. APSA CONCLUSION

The APSA Evaluation and Due Diligence process was a comprehensive and well-balanced process. There were seven APSA's and one Company Owned Proposal bid into the RFP. In the initial review, all of the bids were determined to be complete and conforming to the requirements of the RFP. Three APSA Bids evaluated in the initial review were in the competitive tier and advanced to the First Due Diligence Review. This was a much more detailed review including the review of over 800 document uploads dating back to the COD of the Facility. Included in the review were plant site visits and detailed O&M Modeling run inputs into the final evaluation of each of the three bids.

The IE access and communication with the GPC Evaluation team, including the Southern Company Services members of the Evaluation team, was on an as needed basis. The communications were open, candid and each participant offered input. Telephone calls were typically returned in a timely manner When meetings were required the required people were notified and participated appropriately. When information was requested,

responses were timely and complete. Communications among the GPC Evaluation Team members, the Southern Company Services members of the Evaluation Team, and the IE generally were not problematic.

None of the APSA's were selected from the RFP. The IE supports the decision not to select any of the APSA proposals. The evaluation and due diligence process was objective and based on the outputs from the comprehensive evaluation and O&M modeling tools.

XI. TRANSMISSION EVALUATION

The Evaluation Team's transmission planning members evaluated all of the bids in the Competitive Tier to determine incremental costs resulting from both interconnection and transmission delivery of the project brought to the transmission grid. Accion reviewed, in detail, the studies and associated costs allocated to each bid.

A. TRANSMISSION ANALYSIS

Introduction and Summary

This procurement was different than most of the previous GPC capacity procurements because there were bids for Biomass projects and Capacity-based generation, with different criteria for each class. The transmission analysis approach in this RFP continued the use of standard units and costs as a way to streamline analysis. After including costs from the transmission evaluation, the top ranked bids were found to collectively add loading to the system which would cause operating overloads. These overloads necessitated the creation of portfolios to further evaluate transmission delivery costs in order to determine an optimal final short list.

There were 4 Biomass bids each with a unique point of interconnection. These bids were evaluated separately. The all-source Capacity procurement had 13 unique Bid sites. Because of the large number of Bids, transmission evaluation needed to be efficient. The challenge was to produce the transmission cost evaluations in a relatively short period of time while maintaining accuracy of evaluation and fair treatment of all Bidders.

All of the ranked bids were for existing facilities that were already connected to the Southern Company transmission network. This significantly reduced the amount of transmission analysis required. The analysis began with the confirmation of whether the facility had firm transmission rights for the full term of the proposed PPA. Long-term firm transmission service could be procured either by a third party off-taker or by a utility to serve its native load. From the 27 ranked bids for which network upgrade costs needed to be analyzed, only five bids had resulting transmission costs. This was because these five bids hold transmission rights that expire before the end of the bid period. Pursuant to the Guidelines for Planning the Southern Company Electric Transmission System, other projects with prior queue positions would have use of the transmission capacity presently scheduled to be surrender upon expiration of their transmission rights.

Transmission Rights Expiration

There was extensive discussion among the IE, Staff, GPC personnel, and the transmission planning team as to the appropriateness of assigning upgrade costs to the five bids with expiring transmission rights while not assigning upgrade costs to the other 22 bids which had firm transmission rights for the entire contract period. The Bids with expiring transmission rights are identified on Confidential Appendix F.

The GPC Capacity RFP included bid proposals for existing facilities within the Southern Company footprint. These existing facilities were evaluated according to their maximum capacity as supplied by the bidder. (Note: A facility's maximum long-term firm transmission service level may be less than their maximum capacity; therefore, the facility's maximum capabilities could lead to required transmission system improvements). This ensures that:

- All bids were evaluated in a fair and consistent manner.
- All bids were evaluated per Southern Company's current planning guidelines. This is a transparent process that is posted externally and available as requested.
- All bids were evaluated against the same starting point cases that were created for this evaluation. These cases were created consistent with the methodology used to create Southern Company's publicly available base cases.
- Southern Company maintains its commitment to preserving long-term firm transmission service. Facilities that do not have transmission rights for the maximum capacity are limited to their maximum long-term firm transmission service level in the transmission planning base case model.
- Confirmed transmission service requests that were prior-queued to the GPC Capacity RFP native load reservations were also considered in the evaluation.
- All transmission projects and related costs needed to deliver the facility's maximum output to GPC would be captured and identified for GPC Resource Planning to make the best decisions for GPC and its ratepayers. A unit that does not have long-term firm transmission rights for the maximum capability of their facility throughout the planning horizon could result in transmission constraints identified for the unit's full capability.

The existence of a generator does not inherently give it rights to use the transmission system – even if the facility or a utility previously had firm delivery service. Any such facility that seeks to procure long-term firm transmission service would have to initiate this process early enough to enable all required transmission expansion projects to be completed prior to or coincident with the commencement of the desired delivery service. This would also apply to any of the facilities evaluated during the GPC Capacity RFP which do not have long-term firm transmission service equal to the facility's maximum capacity.

To evaluate any bid proposals as part of the GPC Capacity RFP assuming they have long-term firm transmission service equal to the maximum capacity (if this service doesn't currently exist) would be incorrectly assuming that any projects needed for the facility's delivery would already be budgeted and planned for in the expansion plan. In order for GPC to allow delivery of the full output of the facility, any needed projects would have to be completed prior to or coincident with the desired delivery service, which could present a timing risk for the facility in meeting their desired commercial operation date depending on the lead time(s) required to complete any needed projects. Also, if the evaluation was to use this methodology, this could result in projects and costs to not be appropriately assigned and would underrepresent the true cost to GPC and its ratepayers. Additional details on Southern Company's approach to long term transmission planning can be found publicly on the Southeastern Regional Transmission Planning (SERTP) website at: http://www.southeasternrtp.com/docs/planning_criteria/Southern-Company-Planning-Criteria.pdf.

The IE and the Staff agreed that the standard practice should be followed and, accordingly, transmission upgrade costs were assigned to the five bids.

B. FORMULATION OF TRANSMISSION EVALUATION APPROACH

As stated above, because of the large number of bids that had to be quickly and fairly evaluated, an innovative approach to transmission cost determination had to be formulated. The normal approach upon receiving a request for interconnection would take about 90 days for the cost to be determined which includes site visits, determining specialized design, and then estimating the interconnection costs based upon this specific analysis. Additionally, two (2) months would be spent completing delivery studies. Given the time requirements for completing the cost analysis for all of the bids this normal approach was not feasible. The task at hand was to determine how the transmission cost analysis could be collapsed to meet the time requirement while preserving the accuracy of the results.

Streamlined Transmission Evaluation Approach

The large number of bids received and the relatively short time available for the determination of interconnection and delivery costs for each bid necessitated streamlining the normal system design and costing process. Using resource availability, a resource plan was formed that completed the analysis requirements for the 27 bids in the Competitive Tier within the allotted analysis time period. This plan was created by transmission planning and reviewed by the IE. Several strategies were devised which, when combined, reduced the overall transmission cost estimation process to manageable terms. These strategies are discussed in the following sections:

- Bid Analysis Documentation Standards
- Standard Units and Costs
- Load Flow Analysis

1. Bid Analysis Documentation Standards

Each Bid was separately documented and showed:

- Study Purpose
- Bid Information
- Study Conclusions
    - Commercial Operating Date Risk
    - Earliest Feasible Commercial Operating Date
- Interconnection Configuration for the Proposed Bid
- Approximate interconnection location of the proposed Bid
- Study Structure and Assumptions
    - Unit out and area max scenarios
    - Load level scenarios
- Transmission System Impacts

- Local area system impacts
- Sensitivity scenarios – local area system impacts
- Interface transfer capability impacts
- Sensitivity scenarios – interface transfer capability impacts
- Anti-islanding protection
- FSAR impacts
- Stability impacts
- Weighted short-circuit ratio
- Power quality impacts
- Voltage deviation impacts
- Grounding impacts

- Interconnection – Transmission Facilities
  - Estimated interconnection costs and construction times of improvements or modifications beyond the point of interconnection
- Transmission Delivery – Potential Solutions for Identified Constraints
  - Estimated transmission delivery costs and construction times of network improvements
  - Sensitivity scenarios – estimated transmission delivery costs risks and construction times of network improvements
  - Cost estimate for projects beyond the point of interconnection (utilizing standard cost units)

This documentation standard was used for all bids for which transmission cost analysis was completed. In this way the estimated transmission costs for every bid were presented in exactly the same way so that differences could be readily understood, and so that all Bids were treated the same way. An example of a completed standard analysis documentation report is included as Confidential Appendix G. That particular bid was chosen for exhibit because it contains a significant network upgrade cost.

2. Standard Costs and Units

The same standard costs and units approach for this evaluation of transmission interconnection and delivery costs was used in prior GPC RFPs. After discussion between the IE and the Evaluation Team Transmission members, it was determined that the same 26 standards which had been used in the previous procurement would be used, with updates to reflect the cost and unit changes that occurred during the prior year. By using unit costs and estimating quantities, the interconnection and delivery costs could be quickly determined so as not to hold up the evaluation process. As an example, the template that was used is provided in Confidential Appendix G, which shows all of the units and shows the units that were selected for the interconnection of one (1) bid. The last two pages of this Trade Secret exhibit provide an example of standard unit selection and pricing. Each of the 27 completed documents contains the standard unit cost data for that individual bid.

3. Load flow Analysis

For each of the Competitive Tier Bids, a load flow analysis was performed to assess the transmission impacts of delivering the output of the proposed bid to serve GPC's native load. The load flow analysis was performed on multiple years, seasons, and system conditions which resulted in more than 3000 load flow cases evaluated for each Bid. Contingency analysis was performed on each of these cases to determine if the loss of a single transmission element would then result in a constraint being identified as directly attributable to the output of the proposed bid. As the result of this analysis, if a delivery related thermal constraint was identified, the appropriate standard unit cost was applied, and ultimately attributed to the bid being evaluated.

4. Develop Evaluation Plan

To assist in the planning for and the monitoring of the tasks necessary to complete the transmission cost analysis for each bid, an evaluation plan was completed by the Evaluation Team at the request of the IE. This plan contained:

- An identification of tasks required for completion of the transmission analysis for both the Biomass and the Capacity bids.
- An understanding of the resources available to complete the analysis
- A projected timeline for task completion

This evaluation plan is shown as Confidential Appendix H. The proposed timeline for completing the evaluation plan is shown as Confidential Appendix I. The timeline was successfully completed as proposed.

Transmission Evaluation Process

Overview

Using the standards and plan discussed above, the transmission evaluation of individual bids was performed by the Evaluation Team transmission members and began after the initial Competitive Tier list was developed by the Evaluation Team (SCS/GPC Resource Planning), excluding any transmission impacts. The transmission evaluation was completed in two phases:

1) an individual evaluation for each bid independently and,

2) a combined evaluation for the most economic group of bids as a potential Short List portfolio. The transmission costs identified in the individual bid evaluations were imputed to their respective bids and used by the Evaluation Team (Resource Planning) to determine a revised Competitive Tier ranking which included transmission impacts. The most economic bids from the revised Competitive Tier were then evaluated in the combined evaluation of potential Short List portfolios utilizing the same standard analyses from the individual evaluations as well as a few additional detailed scenarios and considerations.

Analysis Data for Each Bid

Starting with the most competitive bid, the transmission team obtained the necessary bid data from the bid books available on the IE website for this RFP. Individual project information documents provided by the Bidders were made available to the transmission team. These documents were downloaded for each bid prior to commencing the analysis for each bid.

Individual Transmission Evaluations

The individual transmission evaluations included the following standard analyses consistent with SCS Transmission Planning Criteria: local area thermal, interface, stability, system protection, anti-islanding, short circuit, Nuclear Offsite Power impact, and interconnection configuration. Any associated transmission improvements required from these analyses were estimated for cost and timing utilizing a consistent set of standard cost units. From a logistics perspective, individual Bids were evaluated in sets of three bids, beginning with the three highest ranked bids, with each study owner responsible for one individual bid. The study owner performed the local area thermal analysis and coordinated with the other transmission Evaluation Team members on the remaining analyses, estimates, and reviews. The general evaluation steps are outlined below:

Individual Bid Evaluation Steps

1. Scope upcoming set of bids with the transmission Evaluation Team prior to analyses and determine the following in order to build individual bid evaluation "ON cases" (Consistent set of OFF cases already built):
    a. Which standard Utility Scale units outages and area maximum load cases were relevant to the Bid location
    b. Any proxy generation near the Bid sites that needed to be removed
    c. Bid interconnection configuration for modeling
2. Perform local area thermal analysis and review results with Georgia local area planners to verify all results and required improvements.
3. Collect results from all other associated groups (e.g. stability, system protection, FSAR, short circuit, interface analyses, etc.).
4. Create draft report with required improvements and review with transmission evaluation team.
5. Apply standard GPC cost unit and lead-time to all identified system changes.
6. Final report including costs and timing are reviewed by transmission Evaluation Team and finalized.

Combination Transmission Evaluations

After the Competitive Tier was re-ranked based on the individual evaluation transmission costs, the combination of bids making up the most economic potential Short List group up to the approximate solicitation amount, were selected as a portfolio. Two such portfolios were created to represent the two most economic combinations of bids which would satisfy the procurement objectives. A transmission evaluation was performed one combination at a time and followed the same process outlined above until the most economic combination was determined. The same standard analyses types were utilized in the combination analyses, with the exception of the following additions described below: additional generator interconnection queue considerations, and grounding analysis.

Generator Interconnection Queue Considerations

Only generators that proceed from Southern Company's generator interconnection queue to being in-service were recognized as commanding transmission services. As such, other queued interconnection requests were not included in the individual bid transmission evaluations as they would unnecessarily complicate the

analysis and cost with unrealistic speculative projects. In the interest of thoroughness, in the combination evaluations any prior-queued interconnection requests that were in close proximity to the bid and had any likelihood of moving forward were reviewed for the possibility of causing additional transmission constraints. Incremental transmission improvements that would be required due to the addition of these prior-queued requests were included in an additional "cost risk" column in the combination bid transmission evaluation.

Grounding

Historically, grounding grid improvements have not driven significant transmission costs in the RFP evaluations and therefore this analysis is only included in the final combination evaluations.

C. APPLICATION OF TRANSMISSION EVALUATION APPROACH

After the plan for evaluation approach was finalized and the transmission cost to be assigned to each bid was in place the next step was to begin to apply that plan to actual bids. That application was accomplished in several steps discussed below.

1. Determine Which Bids to Evaluate

After all of the bids were received for this procurement, an economic analysis was performed so that the bids could be initially ranked based off of total net benefit. The Transmission Evaluation Team received the ranked bids and began to complete the analysis starting at the top of the list which had the highest net benefit. Some bids were identical but for their contract period, while others were mutually exclusive, meaning only the highest ranked of the bids moved forward. The final result was that there were 27 Bids (13 unique sites) in the Capacity Competitive Tier and 4 bids all with different POI's in the Biomass Competitive Tier. Each of these Bids was analyzed with a standard analysis document prepared for each bid.

2. Understanding of Transmission Bid Data

After documentation standards were established, the Transmission Analysis for each of the selected bids could be initiated. The approach used was first to understand all of the transmission bid data that the Bidders provided. Starting with the most competitive bid, the transmission team obtained the necessary bid data from the bid books to commence analysis.

As the Bidder provided data was reviewed, questions often arose that required clarification by the Bidder. The IE gathered the questions that needed clarification from Transmission Analysis and posted the proper questions for each Bidder on the IE Website.

The IE felt that it was important to be highly involved in the process of reviewing the analysis results as they became available. A review process was established so that as the individual bid transmission analysis documents were completed in draft form they were sent to the IE. The IE reviewed each of these and asked clarification and content questions.

3. Verification of Transmission Costs

As the Bid evaluations were completed, the IE began to verify the accuracy of the data, the costs used in the analysis, and the results of the analysis. The IE directed the verification work, which was completed by the Evaluation Team. This verification consisted of reviewing and validating:

- Review of basic system data
- Verification of Standard Costs
- Validation of Power flow Model
- Cost Detail Analysis
- Cost Risk Analysis
- Thermal Loading Determination

3a Review of Basic System Data

Early in the process the IE obtained updated system information from the Evaluation Team. It had been less than a year since the IE worked with the Transmission Planning department and been involved with the Southern Company transmission system for a prior solicitation. Over that period, there had not been significant facility changes and the procedures for transmission cost analysis had not substantially changed. In the previous REDI 2 procurement the following data was gathered and reviewed. It was agreed that as such a short time had passed since the Utility Scale procurement, this data analysis was not necessary.

- Starting Point Power System Simulator for Engineers ("PSSE") Cases
- Dynamics PSSE Cases
- Planning Guidelines
- Breaker Margin Reports
- Guidelines for RFP Native Load Resource Evaluations
- Area Max Scenarios for use in RFP transmission evaluations
- RFP Base case Set Up documentation

3b. Verification of Standard Costs

As explained previously, the use of standard unit costs was a method to help streamline the transmission evaluation process and to allow completion of the process within the required time frame. However, by using averaged costs for a standard list of construction units, less precision was introduced.

To test the accuracy of the standard costs that had been used, the IE reviewed which units had the most impact on the final interconnection cost of the bids. This procurement contained only five bids that required network upgrades to connect to the Southern Company system. This greatly limited the number of standard cost units applied. The two standard cost units that were used in the individual bid evaluations were:

- 115 kV Transmission Line Rebuild on Existing Right of Way
- 230 kV Transmission Line Rebuild on Existing Right of Way

The portfolio analysis in which several individual bids were combined into two portfolios incurred additional standard units. These were:

- 230kV Protective relay panel
- 115 and 230 kV Interconnection substation (greenfield) 3 breaker ring

A data request was made to the Evaluation Team to provide actual completed cost data for recently completed projects that contain the five units determined to have high usage and high-cost impact. Of the requested standard costs, all had completed jobs that provided valid comparisons with the standard unit costs. Confidential Appendix J contains data which compares the actual system costs with the estimated standard unit costs for the selected activities.

The following observations are based upon the data drawn from the summaries that were developed during evaluation:

- The unit cost variances between the actual costs for the very recently completed project and the unit cost estimates for the 10 of the 11 completed projects were within a range of about 10% deviation down to about 2 % deviation.
- The actual cost for one of the three 115 kV transmission line rebuilds was over by 18.6 %, this was the only significant deviation and is an anomaly in that the other two 115 kV transmission line rebuilds are less than 10% deviation.
- Eleven standard costs were compared to actual completed project costs in six of these the standard costs were larger than the actual costs. In the other five instances the actual costs were higher than the standard costs.

The result of this verification step is satisfaction with the accuracy of the streamlined transmission cost estimating process that was used to evaluate all of the selected bids. All upgrades for all bids utilized the same cost table which treats all bids fairly. Confidential Appendix J provides detail as to verification accuracy for the selected standard costs.

3c. Validation of Power Flow Model

The basis for the transmission cost analysis was the power flow model. It represented the electrical system and calculated the impacts of adding each of the Capacity Competitive Tier projects. As such it was the basis for the system conditions that indicated what upgrades would be required to accommodate each of the 27 Competitive Tier projects. The IE asked for a description of the process used to calibrate this model and develop the base case so that the process would be better understood. This request led to the following document which was discussed and reviewed with the transmission team.

Power Flow Model Base Case Development

The Biomass/Capacity base case power flow models were built starting from the standard 2021 Version 1 B base cases created by Southern Company Services Transmission Planning, which were the latest available at the time of the evaluation. These models are consistent with what would be used in Southern Company's transmission planning process for Transmission Service and Area Planning evaluations during this period. The OFF case models were built in order to determine the initial loadings on the transmission system prior to any Bid facility additions, and Biomass/Capacity ON case models were then built with individual bid facilities added in order to determine each bid facility's impact on the transmission system by comparing the delta in loadings between the OFF and ON case analysis results.

OFF Case Models

In order to create the OFF case models, modifications were made to the 2021 Version1 B starting point models for the transmission evaluation for two purposes:

1) proxy generation was added to the cases in order to aid in isolating the transmission impacts to those caused by the addition of the bid facility and,

2) available transmission service information that was not already in the Version 2 models was added to the models. These modifications are described in detail below.

Generic proxy generation was added to the OFF case models. The proxy generation was evenly distributed among 20 sites across the Southern Company 500 kV and 230 kV system that were strategically chosen based on experience to minimize any transmission impacts. The proxy generation would later be used in the ON cases to offset or redispatch the additional generation for each bid facility. Any proxy generators determined to be in close electrical proximity to a bid facility were removed from the OFF cases for that particular evaluation, and the removed generation was redistributed among the remaining proxy generator sites.

Additionally, relevant generation Designations confirmed by Southern Company after the release of the 2021 Version 1 B models were included in the OFF cases. This included a newly confirmed site per OASIS #93329953,94123383, and 94123365.

ON Case Models

The ON case models were identical to the OFF case models except for the addition of each bid facility. Each bid evaluation had an individual set of ON case models that included the bid facility modeled at its proposed Point of Interconnection ("POI") and generating at its maximum proposed capacity. In order to balance the system dispatch in the model for the bid facility's additional generation, the proxy generation was evenly reduced by the generating amount of the Bid facility. This use of proxy generation allowed the OFF and ON case models to have the same predictable system dispatch of generation without transmission impacts, such that any change seen in the analysis between the OFF and ON case models was isolated to the bid facility under study.

The Utility Scale ON and OFF case models consisted of a standard set of no unit out, unit out, and area max cases distributed across the entire Southern Company footprint and consistent with typical SCS Transmission Planning and NERC TPL Standard analysis. Each bid was reviewed prior to evaluation and was scoped to only included a subset of unit out and area max cases that were in close electrical proximity to that particular bid.

3d. Cost Detail Analysis

The IE selected two (2) bids from the initial Competitive Tier for verification. One bid was selected because it had high transmission network upgrade costs and demonstrated how overloads were translated into costs that were to be assigned to this bid. A second bid was selected because it was the highest ranked bid that was not selected. The thermal loading verification data for the first bid, shown in Confidential Appendix K, and the second bid, shown in Confidential Appendix L, demonstrate that the thermal loadings were accurately produced and reported. These thermal loadings are the basis for determining line overloads which in turn necessitate network upgrade costs.

After the bids for the two portfolios were selected it was apparent that additional network upgrades would be necessary to connect all of the bids contained in the portfolios. Two additional verifications were identified:

- The selected Portfolio
- The bid that was dropped from Portfolio 1 when Portfolio 2 was created.

The selected portfolio analysis document is included as Confidential Appendix M. The thermal verification results for this portfolio are included in Confidential Appendix N. One bid from Portfolio 1 was excluded to create Portfolio two. The IE requested that the thermal basis for the transmission upgrade costs for Portfolio 2's bid be verified. These verification results are shown in Confidential Appendix O.

3e. Cost Risk Analysis

Based upon the results of the cost analysis completed in previous GPC procurements, the transmission analysis team and the IE felt that it was appropriate to quantify the possible exposure that each bid had to additional costs. One of the concerns that the IE had while evaluating these bids was whether there was any significant likelihood that the in-service date projected for each bid project that was evaluated in the competitive tier could not be met. The IE asked the transmission analysis team to ascertain whether the risk of not meeting the in-service date was either:

- Low
- Low moderate
- High moderate
- High

The bid selected to be shown in Confidential Appendix G includes detail of the additional cost and date risk analysis.

3f. Thermal Loading Verification

The IE wanted to ensure that the thermal overloads that prompted network upgrades were accurate. Thus, the IE requested several verification load flow runs to determine that the basis for the network upgrade cost assessments was accurate. Several additional runs were requested and reviewed by the IE. These runs were requested for the following bids:

- The bid that had the highest network upgrade cost assigned
- The highest ranked bid that was not selected for a PPA
- The combined bids that made up Portfolio One
- The combined bids that made up Portfolio Two

The thermal loading results associated with these four bids are included as confidential appendices. All of the thermal loading results were verified to accurately show the overloads that prompted transmission network upgrades.

D. COMPLETION OF SPECIALIZED ANALYSIS

As analysis produces the final cost rankings, there is a need to understand which group of projects can best be combined to produce the 1000 to 3000 megawatts which is the target of this procurement. This portfolio

analysis assessed the aggregate impact of adding these megawatts to the Southern Company system. Two portfolios were created to represent the best combination of bids. The objective was to determine which portfolio of Bids delivers the lowest cost package.

The two (2) portfolios were individually evaluated to understand the total interconnection and delivery costs for each portfolio. The electrical interdependence of each portfolio was determined as part of the cost evaluation. The total interconnection and delivery cost of each portfolio was based upon the aggregate impact of the bids in each portfolio.

When these costs were added, Portfolio 1 was selected for the short list. Confidential Appendix M provides the Portfolio 1 analysis documentation which includes the aggregate transmission interconnection costs for Portfolio 1. Confidential Appendix O shows analysis documentation for the second portfolio. Comparison of the network upgrade costs in these analysis documents illustrates the differences in the two portfolios. The several bids that made up each portfolio caused additional interconnection costs to be attributed to each Portfolio. Confidential Appendix P shows the locations of the bids that made up the Portfolio and shows the voltage level for each bid. The location and voltage level of all of the Capacity bids is shown as Confidential Appendix Q. The location and voltage level for the Biomass bids is shown in Confidential Appendix R.

E. INTERACTION WITH TRANSMISSION PLANNING

All of the transmission analysis necessary to provide interconnection and delivery costs for each of the bids was completed by the Evaluation Team members from Transmission Planning using their existing models which had been calibrated to represent the Southern Company system. All of the work product was reviewed by the IE before it was sent to either the Staff, posted to the IE Website, or sent to the rest of the Evaluation Team. The verification approach was designed and directed by the IE, while the resulting additional analysis was completed by the Transmission Planning Evaluation Team members. The documentation standards were jointly developed between Transmission Planning and the IE, both making suggestions which enhanced the approach taken.

The IE and Evaluation Team Transmission Planning personnel communicated several times each week from early 2020 until early November 2021. On approximately a weekly basis a formal discussion was planned with topics determined in advance by the IE. The topics were communicated to the Transmission Evaluation Team in advance of the meeting so that they could be prepared. An example of the discussion topics for one of these sessions is included as Confidential Appendix S.

The cooperation received by the IE was exceptional. Transmission Planning was quite open to jointly finding the best way to achieve the necessary verification objectives and were most helpful in identifying the best approach. The IE had the luxury of having a primary contact person as well as all of the other three members of the Evaluation Team Transmission Planning personnel. All four members of the team were included in the weekly team calls with the IE, and all four team members were available to the IE when needed. This was particularly helpful when one individual was on vacation or out of town at an industry conference. The IE greatly appreciates the dedication of all four members of the Transmission Evaluation Team, such dedication was required to complete this extensive analysis in a timely and accurate manner.

F. INTERACTION WITH BIDDERS

The IE provided a bridge between Evaluation Team and the Bidders, including when there was need for additional information from Bidders during the transmission assessment. This approach was necessary to ensure that all post-bid submittal information was exchanged in an open manner. All such communications went through the IE and through the IE Website.

G. INTERACTION WITH COMMISSION STAFF

The Staff was involved in the transmission cost evaluation process and kept advised of developments by the IE. The Staff also had access to the Bid data after the Bid period closed. Staff members were involved from the start and understood the approach that would be used in this procurement. The IE talked and communicated by email and by posting information on the IE website. The IE enjoyed an open working relationship with the Staff. Both parties worked together to ensure that all transmission bids received a fair cost evaluation.

XII. POST-EVALUATION DISCUSSIONS

A meeting was held with each of the Short List Bidders. The IE and Staff attended each meeting and were full participants in the discussions. The purpose of each meeting was to confirm the ability and willingness of each Bidder to execute a PPA and to meet the terms and conditions. As noted above, no Bidder was permitted to re-price a Bid or otherwise alter the risk profile of the parties. The use of a non-negotiable proforma contract was clearly understood by each of the finalists and there were no attempts to make material changes to the standard PPA. Non-material clarifications were made in recognition of unique characteristics of individual projects.

The IE affirms that the post-evaluation discussions conformed to the RFP protocols, and that no Bidder was permitted to change the pricing of a Bid, or to increase the risk to GPC or GPC customers. The fact that Bidders embraced the process that prohibited post-evaluation negotiation of PPA terms validates the success of the Commission's approach and standards.

XIII. CONCLUSION

In summary, the IE believes a fair solicitation was conducted, that all Bidders had access to the same information at the same time, and that all bids were evaluated using the same criteria and standards. The use of Mock Bids confirmed that the evaluation model was mutually agreed upon. The response to the RFP was robust, resulting in a portfolio of projects meeting the goals of GPC and the GPSC. The evaluation performed by GPC provided to be thorough and well documented. As with past solicitations, there was an open and cooperative exchange between the IE and the Evaluation Team, and the IE confirmed the findings of the evaluation of each Bid. Permitting APSA and COP bidding allowed the Company, IE, and Staff to confirm that PPAs would provide the best resource to meet the needs of ratepayers.

The use of an approved pro-forma PPA was of significant value in preventing Bidders from presenting Bids with extremely attractive pricing in order to be selected as a finalist, with the goal of then attempting to extract increased value in the contracting phase. The IE, GPC Evaluation Team and the Staff adamantly and effectively required fidelity to the terms of the pro-forma PPA, which was respected by all finalists. The IE encourages GPC and the Commission to continue to rely on a pro-forma contract so that all Bidders understand they, and all other

Bidders, are Bidding to the same terms and conditions.

Transmission constraints continue to be a significant consideration in evaluations, especially with the distributed nature of independent sources. The transmission evaluation approach continues to be tested and evolve during each subsequent procurement. Each of the 27 Bids in the Competitive Tier was analyzed for transmission interconnection costs using the same process. Documentation of this process is uniform for each of these Bids. The verification process successfully covered.

- Standard costs and their application
- Verification of Standard Costs
- Validation of Power flow Model
- Basis for Selection of Bids for Verification
- Cost Detail Analysis
- Cost Risk Analysis
- Thermal Loading Determination

This verification showed that the proper process was followed, and all Bidders were treated fairly and evenly. The transmission cost evaluation was accurately completed for each Bid even though the following complicating factors had to be successfully incorporated into the analysis.

- Prior-queued MEAG project status
- Environmental concerns
- Portfolio analysis

Throughout the process there was full cooperation by the Evaluation Team with the IE and the Staff. There were open discussion concerning analysis methods, data requirements and results. The IE finds that the approach taken was appropriate and treated all Bidders evenly and fairly and affirms that the Commission's standards were met.