

Direct Testimony of Ronald L. Lehr
Southern Alliance for Clean Energy & Southface Energy Institute, Inc.
Georgia PSC, Docket No. 44280

**STATE OF GEORGIA
BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION**

In Re:

Georgia Power Company's)
2022 Rate Case) **DOCKET NO. 44280**
)

**DIRECT TESTIMONY OF RONALD L. LEHR
ON BEHALF OF SOUTHERN ALLIANCE FOR CLEAN ENERGY
AND SOUTHFACE ENERGY INSTITUTE, INC.**

I. INTRODUCTION

1
2
3 **Q: PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.**

4
5 A: My name is Ronald L. Lehr. I am a consultant and the Board Chair for New Energy
6 Economics. My business address is 4950 Sanford Circle West, Englewood, Colorado
7 80113.

8
9 **Q: ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?**

10
11 A: I am testifying on behalf of Southern Alliance for Clean Energy (“SACE”) and Southface
12 Energy Institute, Inc. (“Southface”).

13
14 **Q: PLEASE SUMMARIZE YOUR QUALIFICATIONS AND WORK EXPERIENCE.**

15
16 A: I consult clients about energy regulation and business matters. Current assignments include
17 work for Western Grid Group on the western grid-level system, operations integration, and
18 transmission planning and for a consortium of foundations interested in application of new
19 financial approaches to address stranded utility assets resulting from retiring uneconomic
20 generation plants. I have worked for the largest privately owned Swiss utility, private firms,
21 trade and business associations, non-profit advocacy groups, national energy laboratories,
22 and foundations on energy acquisitions, renewable energy policies, and commercialization
23 strategies. I represented the wind industry in the Western U.S. on regional transmission
24 and related issues for over a decade and have appeared as an expert witness, sponsoring
25 testimony in administrative venues on utility planning and mergers, and in antitrust,
26 employment, and government claim litigation. I am currently board chair of New Energy
27 Economics, which supports competitive acquisition of new utility generation and demand
28 resource portfolios to manage risks, based on rapidly changing economic fundamentals. I
29 served for seven years, from 1984 to 1991, as Chairman and Commissioner of the Colorado
30 Public Utilities Commission. I have served on corporate and foundation boards of directors
31 and boards of advisors. I also completed terms as an appointed member of panels charged
32 to make recommendations on electric industry restructuring, renewable energy resources,
33 and transmission needs to the Colorado General Assembly, and as President and
34 Commissioner of the Denver Board of Water Commissioners, the water utility for Denver
35 and surrounding suburban areas. I hold a B.A. in history from Dartmouth College,
36 University of Sheffield, and a J.D. from University of Colorado College of Law.

1 **Q: HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE GEORGIA PUBLIC**
2 **SERVICE COMMISSION (“GPSC” OR “THE COMMISSION”)?**

3
4 A: No.

5
6 **Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

7
8 A: We ask consideration of consumer benefits to put downward pressure on rates, proposing
9 conditions within the ARP related to recent changes in federal law. Specifically, we
10 recommend that the Commission require inquiry into economic impacts, given new laws,
11 that can lower consumer costs. We outline two examples without exhausting potential for
12 consumer benefits from broader use of other provisions of the new laws, of which there are
13 many.

14
15 **Q: ARE YOU SUBMITTING EXHIBITS ALONG WITH YOUR TESTIMONY?**

16
17 A: Yes, I am submitting six exhibits along with my testimony, itemized below:
18 RLL-Exhibit-1: Resume
19 RLL-Exhibit-2: Georgia Power’s Currently Identified IRA benefits 2022-2025
20 RLL-Exhibit-3: Examples of Policies Now Available to Georgia Power
21 RLL-Exhibit-4: Summary of Electricity Tax Credit Provisions in the IRA
22 RLL-Exhibit-5: IRA Section 20144 Text
23 RLL-Exhibit-6: Georgia Power’s Generation Assets in U.S. Dollars (\$) and Percent (%)

24
25 **II. SUMMARY**

26
27 **Q: PLEASE SUMMARIZE THE RESULTS OF YOUR REVIEW OF GEORGIA**
28 **POWER’S 2022 RATE CASE AND THE ANALYSIS YOU HAVE CONDUCTED.**

29
30 A: The results of my review and analysis of Georgia Power’s filings, informed by my
31 experience as a former Commissioner and utility regulator, are summarized as follows:
32 1. The Commission must assure just and reasonable rates and charges for customers.
33 2. Commissioners should place Georgia Power’s current revenue request in context
34 of three additional bill increases that I understand are pending or expected over the
35 next three years, including a fuel cost recovery filing anticipated within the next six
36 months.

- 1 3. The Commission should reduce cumulative amounts of these rate increases by
2 ordering Georgia Power to identify and use all newly available financial resources
3 to lower costs *during* the proposed 3-year ARP.
- 4 4. The Commission should order the company to aggressively pursue federal and state
5 resources as soon as possible, identify benefits to both customers and company,
6 evaluate impacts on investment costs, and adjust the revenue requirement
7 accordingly.
- 8 5. The company has a once-in-a-legislative-lifetime opportunity to offset some costs
9 to reduce consumer impacts in their \$2.9 billion revenue request – a cumulative
10 amount confirmed by Mr. Abramovitz during the previous hearing (Tr. 293, Lines
11 1-6) – with sizable new investments in energy technologies and transitions.
- 12 6. A variety of existing regulatory mechanisms, at the Commission's disposal, are
13 available for Georgia Power to utilize newly available federal financial resources
14 within the context of their proposed ARP.
- 15 7. Significant potential financial opportunities and savings have been newly created,
16 including, but not limited to, the 2021 Infrastructure Investment and Jobs Act
17 (“IIJA”)¹ and the 2022 Inflation Reduction Act (“IRA”)².
18 Consumers deserve rates that reflect thorough assessment and aggressive use of all
19 potential lower-cost funding alternatives.

20
21 **Q: BASED ON THIS REVIEW, WHAT ACTIONS DO YOU RECOMMEND THE**
22 **COMMISSION TAKE IN THIS PROCEEDING?**

23
24 **A: The Commission should take the following steps to assure consumer benefits are captured**
25 **as Georgia Power implements provisions of new federal laws that substantially change**
26 **industry economics:**

- 27 1. Reject the proposed levelized rate increase and adopt an annual step increase.
- 28 2. Require the company to identify available funding through IRA, IIJA, and present
29 findings to the Commission.
- 30 3. Encourage the company to apply for, receive approvals, and use available funding
31 to best provide timely consumer and community benefits.
- 32 4. Encourage Commission staff and company to develop agreed upon federal funding
33 tracking processes, including actual and anticipated funding, and actual and
34 estimated costs and benefits to customers and communities.

¹ H.R.3684 - 117th Congress (2021-2022): Infrastructure Investment and Jobs Act, H.R.3684, 117th Cong. (2021), <http://www.congress.gov/>.

² H.R.5376 - 117th Congress (2021-2022): Inflation Reduction Act of 2022, H.R.5376, 117th Cong. (2022), <http://www.congress.gov/>.

- 1 5. Order annual reports detailing results and define true ups resulting in updated
- 2 revenue requests for 2024 and 2025 within the 3-year ARP.
- 3 6. Provide for tax and other savings to benefit customers, including to offset rate
- 4 increases during 2022-2025.

5 **III. A COMMISSIONER’S PERSPECTIVE OF A RATE CASE**

6

7 **Q: AS A FORMER COMMISSIONER, HOW WOULD YOU APPROACH THIS**

8 **RATE CASE?**

9

10 **A:** Essential duties for a commissioner in a rate case include assuring due process, finding

11 facts based on the case record, applying relevant utility law to those facts, while finding a

12 just balance between competing claims, particularly as between consumers and

13 shareholders. Events may have resulted in that balance falling too severely on consumers,

14 requiring rates that could be lower, or investors taking risks for which they are not

15 adequately paid. If so, commissioners have the duty to rebalance so utility operations and

16 investments are as efficient as possible and rate case results achieve just and reasonable

17 rates. Another challenge for commissioners is to strike the right relationship between

18 current consumers and shareholders and those who will be involved across decades ahead.

19 Rate cases are not filed in a vacuum, instead they are chapters in longer running narratives.

20 Commissioners need to understand both the case before them and the circumstances in

21 which it has been filed. For example, financial cycles including rising and falling interest

22 rates provide relevant background for consideration when considering rate cases. Rapidly

23 changing technologies can result in new economic relationships among investment

24 choices. Utility management changes, and management approaches and choices change

25 and evolve over time. State and federal policies that impact utilities and regulation are in

26 continuous development. Commissioners can bring the best of their understanding of all

27 these developments, changes, and considerations to their rate case decision making.

28 Commissioners owe all parties, and themselves, a duty to learn as much as they can across

29 a range of regulated industry issues and developments as well as gathering insights that can

30 be gained from a range of professional perspectives. These include law, economics,

31 engineering, finance, accounting, management, and policy. No other party or participant

32 has a commissioner’s responsibilities. They bear ultimate responsibility for all the issues

33 in all the commission’s dockets. No other participant or party, including commission staff,

34 bear these responsibilities.

35 If we consider the “regulatory compact,” utilities enjoy state mandated franchise monopoly

36 in exchange for being economically regulated. But regulators face an information

37 asymmetry wherein utilities have all the information regulators need to do their jobs. In

38 these challenging circumstances, commissioners are thought to have responsibilities to

1 protect consumers from results that would differ from those obtained in workably
2 competitive markets.

3
4 **IV. PUTTING NEW FINANCIAL TOOLS INTO ACTION**

5
6 **Q: WHAT DO YOU UNDERSTAND TO BE THE BENEFITS OF GEORGIA**
7 **POWER’S THREE-YEAR ARP PERIOD?**

8
9 A: It is clear that Georgia Power views the three-year ARP structure as a successful framework
10 for the Commission, the company, and its customers. In addition to its authorized earnings
11 band, they suggest that the ARP provides longer financial and operational time horizons
12 for planning, continuity with Integrated Resource Plans (IRPs), and more consistent
13 information about anticipated rate or billing adjustments. The currently proposed ARP for
14 this case, they say, “is similar to the ARP’s that have benefited both our customers and our
15 Company since 1995” (Tr. 255, Lines 15-16). But, as Mr. Abramovitz attested at the
16 previous hearing, in addition to the ARP framework itself, “the inputs do matter, as they
17 always do.” (Tr. 291, Lines 24-25). As Mr. Abramovitz also noted during his testimony,
18 the three-year ARP structure is not a given, and it can be adopted, modified, or rejected at
19 the Commission’s discretion.

20
21 **Q: DO YOU KNOW IF THE COMMISSION HAS PREVIOUSLY ORDERED**
22 **GEORGIA POWER TO IDENTIFY COST REDUCTION OPPORTUNITIES**
23 **DURING AN ARP PERIOD?**

24
25 A: Yes, it is my understanding that the Commission has previously ordered the company to
26 *identify* possible savings for customers *during* an ARP period. I’ll provide two examples,
27 among others.

28 First, a 2009 Stipulation (Document 122306) as a part of Georgia Power’s 2007 Rate Case
29 (Docket No. 25060), for an accounting order request stated, “The Company will use its
30 best efforts to continue to reduce costs and will identify those cost reductions in its 2009
31 and 2010 Annual Surveillance Reports (“ASRs”).” This shows that the company, GPSC
32 staff, and the Commission have successfully worked together to identify cost reductions
33 within a previous rate case period.

34 Second, the 2013 Rate Case (Docket No. 36989) provides several examples. In addition to
35 orders emerging from ASRs in 2018 (Document 180405) and 2019 (Document 182469)
36 that resulted in refunds to customers, in 2015, the Commission ordered the company to file
37 updated tariffs (Document 157212). My understanding is that it occurred two years
38 following the previous rate case and four years prior to the next one.

39

1 **Q: DO YOU KNOW IF THE COMMISSION HAS PREVIOUSLY ORDERED**
2 **GEORGIA POWER TO IMPLEMENT COST REDUCTION OPPORTUNITIES**
3 **DURING AN ARP PERIOD?**
4

5 A: Similarly, yes, the Commission has ordered the company to *implement* additional cost
6 savings mechanisms *during* an ARP period, again, on more than one occasion. In 2018, the
7 Commission and Georgia Power worked together to ensure emerging benefits from the Tax
8 Cuts and Jobs Act (“TCJA”)³ would *immediately* flow to customers. I think the specifics,
9 especially the timing, of that Order and the company's response are worth revisiting.
10 The TCJA was signed into law on December 22, 2017. Despite the holiday season, the
11 Commission responded to that historic opportunity within one month of it being signed
12 into law. On January 19, 2018, the Order on the TCJA (Document 170797) was filed – an
13 impressive response by this Commission – as a part of Georgia Power’s 2013 Rate Case
14 (Docket No. 36989). Equally commendable, the company filed a response (Document
15 171428) within two months, on March 6, 2018. After meetings between GPSC staff and
16 Georgia Power, a Stipulation Agreement was reached and an order (Document 171901)
17 was filed on April 5, 2018. As I reviewed the order, I found the following quote especially
18 pertinent:

19 “The proposed Settlement provided ratemaking treatment to address the effects
20 of the TCJA on the Company’s cost of service in several areas” (Page 1).
21

22 **Q: HOW DID THE 2018 TCJA SETTLEMENT BENEFIT CUSTOMERS?**
23

24 A: As former Georgia Power Chairman, President, and CEO, Mr. W. Paul Bowers, confirmed
25 in his testimony (Document 177523) during Georgia Power’s 2019 Rate Case (Docket No.
26 42516), much of the benefit was refunded directly to customers through direct bill credits,
27 with the remaining benefits applied to mitigate costs in its 2019 revenue request. In total,
28 Mr. Bowers testified that GPC worked to return more than \$1.1 billion to customers by
29 leveraging the available tools in the TCJA. \$330 million was issued across three refunds,
30 one in 2018, 2019, and 2020. An additional \$670 million was apparently assessed in the
31 2019 Rate Case, of which \$660 million in benefits were used during the previous three-
32 year ARP, as indicated in the company’s filings for the current proceeding (Document
33 190559).

34 The impacts of these swift and decisive actions by the Commission and Georgia Power
35 were not limited to previous rate cases and their respective ARPs. The company’s
36 responses to data requests (Document 19910, STF-LA-2-115) indicate that some of these

³ S.2254 - 115th Congress (2017-2018): Tax Cuts and Jobs Act, S.2254, 115th Cong. (2017),
<http://www.congress.gov/>.

1 savings continue through 2025. As we saw with the TCJA in 2018, the immediate use of
2 newly available federal funds has meaningful benefits for customers that carry well into
3 the future.
4

5 **Q: WHAT FACTORS MIGHT AFFECT WHETHER A LEVELIZED RATE**
6 **INCREASE OR ANNUAL STEP INCREASE PROVIDES THE LOWEST COSTS**
7 **AND MOST BENEFITS TO THE UTILITY AND CUSTOMERS?**
8

9 A: It is my understanding that Georgia Power proposes to over collect in the first year's
10 traditional base rate request. In their filings, they claim this will save customers money,
11 overall, and provide clearer information about anticipated bill increases during the three-
12 year ARP. Mr. Womack said as much during the previous hearing, in his oral summary,
13 stating:

14 "...we are proposing to levelize most of the requested rate adjustment over the
15 three-year ARP because it provides customers with more stable and predictable
16 rates and will result in customers paying \$40 million less over the three-year
17 ARP" (Tr. 099, Lines 17-19).

18 Consumer economics change, quite drastically, however, as new sources of federal funding
19 have and will continue to become available since the company's initial rate case filing in
20 this docket, and these changes are likely to increase potential for consumer benefits during
21 the ARP period.

22 According to Georgia Power's supplemental filing based on results of the 2022 IRP
23 (Document 191294), the actual revenue deficiency applicable to traditional base rate tariffs
24 is just above \$477 million in 2023, \$746 million in 2024, and \$1.1 billion in 2025. If the
25 levelized rate request is approved, and Georgia Power would be authorized to collect
26 approximately \$762 million in traditional base rate in 2023 – more than \$284 million above
27 the actual revenue deficiency – the company, and its customers, would be locked into a
28 pathway in which they cannot maximize the benefits of newly available federal funding
29 over the next three years. Alternatively, if only the \$477 million revenue requirement for
30 2023 is collected now, the company, the Commission, and GPSC staff have more
31 opportunity and flexibility to use these new funds.

32 As I will discuss further, sizable cost savings that can put downward pressure on rates will
33 be lost if available benefits of new legislation are not considered until the next rate case in
34 2025. The Commissioners should also note that the frontloaded, levelized request was not
35 used in the settlement approved by the Commission for the 2019 Rate Case, for reasons, as
36 I understand them, similar to those I describe below.
37

1 **Q: DO YOU THINK THE ANNUAL STEP RATE INCREASE COULD BENEFIT**
2 **CUSTOMERS?**

3
4 A: Even before the IRA, IJJA, and other financial opportunities changed economics of this
5 proceeding, the company’s assumptions about customer preferences are worth revisiting.
6 GPSC staff asked Mr. Abramovitz if the company included the net present value of money
7 – which involves understanding economic pressures facing individual customers – in their
8 conclusion that the levelized request is for the benefit of customers. Mr. Abramovitz first
9 nodded in the affirmative and then said “Correct” (Tr. 286-287. Lines 13; 6). As I
10 understand it, Georgia Power has provided no further details about how the net present
11 value of money for, say, individual residential customers was incorporated into any of their
12 calculations or filings in this proceeding.

13 If the Commission rejects the levelized request and orders the company to collect the \$477
14 million revenue request in 2023, in addition to the substantial benefits customers will
15 receive through reduced costs as the company identifies and uses funds from the IRA and
16 IJJA, those customers will also have more money in their pockets in 2023. In the current
17 economic and inflationary environment, this approach will allow the company to increase
18 the economic resilience of their customers, for whom the company makes clear in their
19 filings and testimony, and as Mr. Womack said well, “are at the center of everything [they]
20 do” (Tr. 071, Lines 7-8).

21
22 **Q: DO YOU THINK THE ANNUAL STEP RATE INCREASE COULD BENEFIT THE**
23 **COMPANY?**

24
25 A: When the company filed their case, the levelized rate increase may indeed have been the
26 lowest cost plan that provided the most benefits to the utility. But, as I’ve said, the
27 economics have changed, and now the company has the new opportunities to take
28 advantage of hundreds of millions, if not billions, to reduce costs. This is advantageous to
29 the company not only for the obvious reasons, like saving money, but also for more
30 qualitative, but equally important reasons: their relationships with their customers.

31 It will be to the advantage of Georgia Power to aggressively pursue every dollar available
32 to reduce their customers’ bills, increase reliability and resilience, and proactively reduce
33 the cumulative bill impacts of the next three years. The cost saving opportunities in the
34 IRA and IJJA, over immediate and long term, are clear financial incentives for the company
35 to act, as is their ability to pass along savings to their customers through defined true-ups
36 resulting in updated revenue requests for 2024 and 2025 and potential refunds for
37 customers.

38

1
2
3 **V. EMERGING FINANCIAL OPPORTUNITIES**

4 **Q: DOES GEORGIA POWER PLAN TO USE ANY FUNDS FROM THE IRA OR IJJA**
5 **DURING THE THREE-YEAR ARP COVERED BY THIS REQUEST?**

6 A: Yes, they do, and I commend them for their initial commitment. In a response to a GPSC
7 staff data request (Document 191627, STF-LA-5-14), Georgia Power states that it has
8 currently identified \$33 million in potential IRA benefits. The company provides the
9 estimated tax savings, reproduced in RLL-Exhibit-2, in their discovery response.
10 In this response, Georgia Power explicitly states it “expects the IRA will provide tax
11 benefits that, over time, can help reduce costs for customers” (Document 191627, Page 1).
12 Commendably, we also learn that they are already on the case:

13 “The Company is actively reviewing the wide range of flexible tax credits and
14 other benefits from the IRA and, as such, the Company is still working on the
15 analysis to be able to quantify further potential customer savings” (Document
16 191627, Page 2).

17 Similarly, in a discovery response about the potential use of the IJJA (Document 191627,
18 STF-LA-5-17), the company is actively reviewing availability and opportunities. This
19 proactive approach by Georgia Power reflects the constructive regulatory environment
20 nurtured and maintained by the Commission. I suggest, to the benefit of both customers
21 and the company, that the Commission should play its role, providing certainty to the
22 company by requiring Georgia Power to bring these analyses before the Commission in as
23 timely a manner as possible.

24 In the previous hearing, Mr. Womack also signaled the company’s desire to use IRA’s
25 benefits. Responding to a question about re-evaluating company’s incentives, Mr Womack
26 said:

27 “That’s something we’ll engage with the Commission... and, yeah, the Inflation
28 Reduction Act, we continue to evaluate what it means for us going forward...
29 we’ll take a look at that and work with the Commission to decide what we do
30 going forward” (Tr. 143, Lines 12-23).

31 I applaud Mr. Womack, and I believe this proceeding is the perfect opportunity to formally
32 begin this process with the Commission before being locked into a three-year plan.

33
34 **Q: ARE THERE ANY ADDITIONAL BENEFITS OF THE IRA THAT THE**
35 **COMPANY HAS IDENTIFIED IN ITS FILINGS?**

36
37 A: Based on their discovery responses (Document 191627, STF-LA-5-14), I believe the
38 company is also currently evaluating potential IRA savings as they relate to employee

1 benefits, income tax expenses, and electric vehicle purchases. Additionally, Georgia Power
2 has already identified at least two projects approved by the Commission in the 2022 IRP –
3 the Hydro Modernization and Integrated Hydrogen Microgrid projects. I, again, applaud
4 the company’s swiftness in evaluating these opportunities, especially those related to IRP
5 and procurement processes.
6

7 **Q: WHAT ARE SOME KEY POLICIES FOR UTILITIES TO CONSIDER?**

8
9 A: In RLL-Exhibit-3, I provide a non-comprehensive list of provisions in the IRA and IIJA
10 that could be used by Georgia Power with estimated funding amounts.
11

12 **Q: WHAT IS THE POTENTIAL MAGNITUDE OF THE BENEFITS FROM IRA AND**
13 **IIJA?**

14
15 A: It’s hard to overstate IRA and IIJA benefits applied to the U.S. electricity sector, investor-
16 owned utilities, public utility commissions, and the public. The IRA is one of the largest
17 federal energy investments in U.S. history. This legislation has fundamentally changed
18 energy economics for states and utilities, making available billions of dollars for energy
19 investments that benefit economic growth, public health, grid reliability and resilience, and
20 energy affordability.

21 The IRA provides more than \$413 billion in new funding for climate and energy, with
22 approximately \$221 billion for the electricity sector alone. The IIJA includes more than
23 \$168 billion in funding, the largest categories funding transportation, climate, and
24 electricity, respectively. The Congressional Budget Office estimates that enacting the IRA
25 alone results in a net decrease in the deficit totaling \$90 billion over the 2022-2031 period.
26 These benefits will flow to utilities as well as their customers. Although there are thousands
27 of provisions, we here focus on two examples, which we suspect might be the main benefits
28 to Georgia Power, energy tax credits and infrastructure financing.
29

30 **Q: WHAT ARE RELEVANT COSTS AND CHALLENGES OF RESPONDING TO**
31 **IRA AND IIJA OPPORTUNITIES?**

32
33 A: Because these opportunities are substantial and new, information providers like
34 consultants, law firms, policy analysts, and trade press are all working to understand the
35 new provisions and summarize and explain them. We see daily contributions to this flow
36 of information now and expect that improved analysis and output from these sources will
37 continue. Less information is available concerning actual early examples of use of new

1 provisions, and as those early examples emerge, we will learn a lot about what the changes
2 mean and how to use them.

3 However, not all the provisions are shrouded in mystery. For example, tax credits are
4 relatively straightforward and since they have existed previously in more modest forms,
5 quite a lot of analysis and experience is available to help Georgia Power understand their
6 impacts on investment choices and potential for consumer benefits. Other provisions of the
7 new laws require implementing agencies to develop criteria and regulations that will
8 explain a lot about how to apply for, receive, use, and report on newer provisions, like loan
9 guarantees for energy transition purposes. Each provision that offers potential benefits for
10 Georgia Power consumers will need to be investigated, analyzed as it develops, and
11 assessed for application to Georgia Power's circumstances. These challenges demonstrate
12 all the more clearly why being locked into a levelized rate adjustment, which results in a
13 greater than 35% overcollection in the first year, might limit the company's ability to take
14 advantage of the vast new financial opportunities at their disposal.

15 While that's not the work of an hour or a day, in the immediately following weeks and
16 months, we hope active participation with implementation of the most relevant provisions
17 will equip Georgia Power sufficiently to make early use of as many of these provisions as
18 possible. That will require staffing, management engagement, and possibly use of expert
19 advisors from outside the company. But we think the chances of benefits for consumers
20 are better than an even bet and worth the effort. The Commission and its staff should
21 prepare to travel on the same journey with the company, so they are fully advised in all the
22 premises to take maximum advantage of new funds to put downward pressure on rates.

23
24 **Q: WHAT IS THE POTENTIAL MAGNITUDE OF THE OPPORTUNITY FOR**
25 **GEORGIA POWER?**

26
27 **A:** Potential benefits for Georgia Power and its customers are substantial. As I discuss below,
28 I think several items from the recent Georgia Power IRP deserve immediate attention.
29 Expanding renewables, building a standalone storage facility, and investment in
30 transmission and distribution upgrades all emerge from the 2022 IRP and can potentially
31 benefit from these new funding opportunities. There are also opportunities to use any
32 immediately available tax credits or other savings as refunds – similar to the 2018 TCJA
33 tax cuts – to help customers weather the six bill increases expected over the next three
34 years.

1 **Q: WHAT IS THE POTENTIAL MAGNITUDE OF OPPORTUNITIES FOR TAX**
2 **CREDITS IN THE IRA?**

3
4 A: The IRA makes four key changes to the production tax credit (PTC) and investment tax
5 credit (ITC). I have summarized some of their key components in RLL-Exhibit-4. First,
6 the IRA restored the PTC and the ITC to full values and extended the timeline to 2022-
7 2032. Credits are then reduced through a phase-out mechanism. Second, solar projects in
8 service in 2022 or later can elect for the PTC, which could soon be more lucrative. Third,
9 as RLL-Exhibit-4 shows, there are bonuses to incentivize states, Commissions, and utilities
10 to focus on the human impacts of the ongoing energy transition. Third, the IRA improves
11 effectiveness for investor-owned utilities by making tax credits transferable.

12 There are significant opportunities to ‘stack’ PTC and ITC benefits. Projects can receive
13 an ITC ranging in value from 6 to 50% for utility scale projects and up to 70% for projects
14 under 5 MW. For both the PTC and ITC, there is an additional 10% incentive to develop
15 projects in locales critical to an equitable energy transition, defined as ‘energy
16 communities’.

17 As one example of how this may apply for Georgia Power, we can look at energy storage.
18 The company says the 65 MW Mossy Branch battery storage project will qualify for the
19 30% full ITC, resulting in \$31.7 million in tax credits (Document 191627, STF-LA-5-14).
20 The Commission recently “provisionally approved” a standalone battery storage facility in
21 Georgia Power’s 2022 IRP (Docket No. 44160), the McGrau Ford Battery Facility. In the
22 2022 IRP, the company’s cost-benefit analysis for the McGrau Ford Battery Facility,
23 submitted in their main filing (Document 188519) showed it to be in the best interest of all
24 customers. If we take their analysis at face value, then the facility will be even *more*
25 beneficial for customers now that it qualifies for the ITC with a 30% full credit reduction
26 in capital costs. Improved economics, given federal tax changes, might be an opportunity
27 for the commission to revisit their “provisional” approval to encourage the company to
28 make the investment.

29 The IRA also includes a zero-emission nuclear PTC that could provide tremendous cost
30 reduction opportunities for the Vogtle Nuclear Power Plant.

31
32 **Q: WHAT IS AN ‘ENERGY COMMUNITY’?**

33
34 A: The IRA provides a variety of incentives tied to labor, manufacturing, and geography. One
35 mechanism is the newly defined ‘energy community’, a location especially impacted by
36 the ongoing energy transition. The IRA identifies three independent eligibility criteria: (i)
37 brownfields, (ii) census tracts with closed coal plants or mines, and (iii) census tracts with
38 certain fossil fuel employment and overall unemployment characteristics. These incentives

1 may influence commissions to reevaluate when certain fossil fuel assets should be retired
2 and transitioned, and where new energy and grid assets might be located now that financial
3 benefits exist specifically to support economic vitality in highly impacted communities.
4

5 **Q: WHAT IS THE POTENTIAL MAGNITUDE OF OPPORTUNITIES FOR**
6 **REFINANCING IN THE IRA?**
7

8 A: IRA's section 50144, text provided as RLL-Exhibit-5, gives the Department of Energy's
9 Loan Program Office \$5 billion in appropriated funds to handle \$250 billion in authorized
10 loan guarantee funding for a broad set of purposes related to energy transition. The loan
11 guarantees may be applied to loans supporting projects that retool, repower, repurpose, or
12 replace retired energy infrastructure. Among these broad purposes, reinvestment financing
13 for fossil infrastructure aims at potentially stranded electric utility generation assets
14 allowing loan guarantees to decrease cost of capital used to pay off outstanding, unpaid
15 investments. The provision requires electric utility loan applicants to provide assurances of
16 both community and consumer benefits.

17 One assessment, provided as RLL-Exhibit-5, suggests that Georgia Power might have
18 about \$10 billion in fossil assets that could require refinancing for which Section 50144
19 loan guarantees would apply.

20 The U.S. Department of Energy's Loan Program Office (LPO) will support loan-making
21 authority. In addition to handling the energy transition applications, LPO provides a non-
22 exhaustive list of qualifying projects that also include (i) refinancing, upgrading, uprating
23 existing nuclear or hydropower facilities and (ii) transmission upgrades. The company
24 would be wise to evaluate these tools to reduce costs associated with their transmission and
25 distribution request in this case.

26 The IRA builds upon grid investments made in the IJA. Many available federal and state
27 funds can potentially complement one another. Utilities that proactively work with
28 commissions and staff to leverage these additive effects will position themselves as leaders
29 in ongoing energy transitions and likely win admiration in capital and credit markets.
30

31 **Q: ARE THERE EARLY INDICATIONS OF INTEREST IN THESE**
32 **OPPORTUNITIES TO ACHIEVE CONSUMER BENEFITS IN OTHER STATES?**
33

34 A: There are some very preliminary assessments starting to become available from other
35 jurisdictions. We anticipate that more of this kind of information will emerge as these new
36 opportunities continue to attract serious attention. Here are a few examples:

37 In a September 23, 2022, petition to approve refund and rate reduction resulting from the
38 IRA (Document 07675-2022) filed by Florida Power and Light (Docket No. 20220165),

1 the company has already identified approximately \$234 million in customer savings for
2 2022-2025.

3 On October 12, 2022, Ameren Missouri filed supplemental testimony (File No. ER-2022-
4 0037) on the currently known impacts of the IRA for their annual rate review. They
5 estimate PTC savings for wind and solar totaling \$1.3 billion from 2023-2032. They also
6 detail the potential for savings associated with PTCs for nuclear facilities, although they
7 await guidance. One unique feature of Ameren Missouri’s recent filing is that they formally
8 request an IRA guidance tracker. To demonstrate the need for this tracker, they show how
9 the PTCs for a specific nuclear facility “could be zero one year and more than \$100 million
10 in the next” (File No. ER-2022-0037, Page 9, Lines 12-13). Worth noting, they conclude,
11 “We estimate that the net IRA benefits will result in customer rates that are on
12 average approximately *four and a half percent lower* per year under the IRA
13 than they would have been had the IRA not been enacted” (File No. ER-2022-
14 0037, Page 9-10, Lines 20-21; 1) (emphasis added).

15
16 **Q: WHAT ARE OPPORTUNITIES FOR THIS COMMISSION IN THIS PROCESS?**

17
18 A: The Commission must play a central role in implementing these new federal funding
19 incentives. IRA and IJA dramatically reduce the cost of certain energy technologies. A
20 recently published guide for states summarizes the new opportunity facing the
21 Commission:

22 “[PSCs] should prioritize re-examining now-outdated cost assumptions in
23 planning and procurement, enabling competition to drive new investment and
24 retirement, and taking a proactive role in community transition...”⁴

25 I know that planning and procurement are beyond the scope of this proceeding; but, as I’ve
26 discussed above, waiting until the next IRP and Rate Case in 2025 will be far too late to
27 take advantage of the full potential of new legislation.

28
29 **VI. SIX BILL INCREASES IN THREE YEARS**

30
31 **Q: WHAT IS THE SIGNIFICANCE OF THE OTHER KNOWN BILL INCREASES
32 ANTICIPATED DURING THIS THREE-YEAR PERIOD?**

33
34 A: As a Commissioner, I was concerned about just and reasonable rates for customers,
35 reducing costs for both customers and the utility, promoting competition, reducing risk,
36 and fostering a constructive regulatory environment. I think it’s difficult to do those things

⁴ O’Boyle, M., Esposito, D. and Solomon, M., October 2022, “Implementing the Inflation Reduction Act: A Roadmap for State Electric Policy,” Energy Innovation Policy and Technology, LLC. Page 3.

1 in this case without placing it in context of the other rate adjustments and bill increases
2 anticipated over the next three years. It is my understanding, based on the company's
3 testimony and responses to data requests, that customers will experience three bill increases
4 – two associated with the deployment Vogtle Units 3 & 4 and one with an upcoming fuel
5 cost adjustment (FCA) – in addition to the three rate increases requested in this case during
6 the next ARP. If I am correct, combined, Georgia Power's customers will likely experience
7 six bill increases over the next three years. This necessitates that commissioners consider
8 overall and cumulative impacts of these increases on customers and how the company can,
9 as aggressively as possible, reduce costs during this period.

10 At the same time, I see the magnitude of available funds through new legislation as an
11 incredibly serendipitous moment if the company carries through on its apparent
12 commitment to use these newly available resources to offset consumer cost increases. To
13 keep rates as reasonable as possible, the company does have a strong incentive to apply
14 newly available funds to put downward pressure on rates whenever possible.

15
16 **Q: WHAT'S YOUR UNDERSTANDING OF THE FCA YOU MENTION ABOVE?**

17
18 **A:** Because increasing natural gas exports have exposed domestic gas markets to world prices,
19 and natural disasters and other factors have challenged price stability, particularly in gas
20 markets in the "gas shed" served by facilities impacted by storm Uri, it is not unexpected
21 that gas prices have surged. So, one of the broader circumstances that impact
22 commissioners' decisions in this rate case must be impacts of volatile and rising prices for
23 gas, both for consumers' consumption and for producing the electricity that consumers
24 need.

25 In Georgia Power's 2022 IRP, SACE and Southface presented testimony by Ron Binz
26 (Document 189984, Docket No. 44160), my colleague on the New Energy Economics
27 board, suggesting that natural gas risks to consumers could be ameliorated by choosing
28 among higher, but still reasonable, estimates for gas costs going forward, arguing that
29 future gas cost estimates, likely to be wrong, need to be wrong too high, rather than wrong
30 too low. He also noted that the company's incentives to give full consideration to risk-
31 managing resource portfolios are impacted by fuel cost adjustment practices that insulate
32 shareholders from gas costs, and gas cost estimates that are wrong and too low, by placing
33 all gas cost risks on consumers. He argued that sharing gas cost risks between consumers
34 and shareholders would help to correct this inappropriate risk allocation.

35 Because an upcoming fuel cost review is part of the context that will likely result in
36 additional consumer bill increases, the Commission should keep these arguments in mind.
37 They help to support the notion that offsetting consumer fuel costs with savings achieved

1 by using newly available federal funding opportunities is a policy the Commission should
2 pursue in this rate case.

3 Mr. Womack made this case as well during the previous hearing. When asked about the
4 cumulative impact of six bill increases in three years, he said:

5 “We take seriously any rate changes. And we don’t do this in a vacuum... we
6 don’t operate in isolation” (Tr. 117, Lines 3-7).

7
8 **Q: WHAT’S YOUR UNDERSTANDING OF GEORGIA POWER’S LEADERSHIP IN**
9 **HELPING CUSTOMERS?**

10
11 A: In Mr. Womack’s pre-filed testimony, he acknowledges not only Georgia Power’s
12 commitment to their customers, but also the need of the company’s desire

13 “to manage our business in a way that minimizes costs to our customers
14 over the long term” (Tr. 073, Lines 10-11).

15 He added:

16 “We are unwavering in championing the energy needs of our customers and
17 communities across the state” (Tr. 070, Lines 21-22).

18 And he built on the company’s commitment to customers, saying:

19 “...one thing remains constant for Georgia Power: our customers are at the
20 center of everything we do” (Tr. 071, Lines 7-8).

21 We applaud Mr. Womack’s concern for consumers:

22 “I mean, we take this stuff very seriously at the power company. I mean,
23 that’s what we do. We know our customers. We know our communities.
24 And we’re committed to helping any way that we can” (Tr. 158, Lines 19-
25 22).

26 One way we think the company could help consumers would be to make maximum use of
27 emerging funding to offset rate increases that the company has proposed. The Commission
28 can act to make sure this happens by not being locked into a three-year plan. Based on the
29 above, I hope Mr. Womack will support the Commission.

30
31 **VII. CONCLUSIONS**

32
33 **Q: HOW DO YOU THINK A COMMISSION ORDER TO IDENTIFY AND USE**
34 **NEWLY AVAILABLE FEDERAL FUNDS COULD BENEFIT**
35 **STAKEHOLDERS?**

36
37 A: Georgia Power is fortunate they are proposing a substantial revenue request while billions
38 in new federal and state financial resources simultaneously become available for the

1 company and the Commission. Ordering Georgia Power to seek, identify, and use these
2 newly available financial resources will benefit:

- 3 1. The company. These funds can save the company considerable costs, achieve
4 customer savings, and help to acquire more diverse and cost-effective generation
5 and demand side resources to manage costs and risks.
- 6 2. The customers. Tax credits, rebates, and refunds are just a few examples of how
7 additional federal funds can provide a critical buffer against the significant bill
8 increases customers face between 2023-2025.
- 9 3. The Commission. The Commission has the authority to facilitate these processes,
10 building upon and expanding its legacy as a regulatory body that benefits all
11 stakeholders even in difficult proceedings with myriad competing priorities.

12
13 **Q: WHAT ARE YOUR RECOMMENDATIONS TO THE COMMISSION?**

14
15 A: The Commission need only leverage a few existing mechanisms, well within their
16 authority, to provide significant savings detailed above:

- 17 1. Reject the proposed levelized rate increase and adopt an annual step increase.
- 18 2. Require the company to identify available funding through IRA, IJJA, and present
19 findings to the Commission.
- 20 3. Encourage the company to apply for, receive approvals, and use available funding
21 to best provide timely consumer and community benefits.
- 22 4. Encourage Commission staff and company to develop agreed upon federal funding
23 tracking processes, including actual and anticipated funding, and actual and
24 estimated costs and benefits to customers and communities.
- 25 5. Order annual reports detailing results and define true ups resulting in updated
26 revenue requests for 2024 and 2025 within the 3-year ARP.
- 27 6. Provide for tax and other savings to benefit customers, including to offset rate
28 increases during 2022-2025.
- 29 7. Determine whether savings achieved through federal funds could also be used to
30 offset some of the expected fuel cost increases in the upcoming FCA proceeding.

31
32 **Q: DOES THIS CONCLUDE YOUR TESTIMONY?**

33
34 A: Yes, it does.

RLL-Exhibit-1

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Ronald L. Lehr consults clients about energy regulation and business matters. Current assignments include work for Western Grid Group on western grid-level system, operations integration, and transmission planning and for a consortium of foundations interested in application of new financial approaches to address stranded utility assets resulting from retiring uneconomic generation plants. He has worked for the largest privately owned Swiss utility, private firms, trade and business associations, non-profit advocacy groups, national energy laboratories, and foundations on energy acquisitions, renewable energy policies and commercialization strategies. He represented the wind industry in the Western U.S. on regional transmission and related issues for over a decade, and has appeared as an expert witness, sponsoring testimony in administrative venues on utility planning and mergers, and in anti-trust, employment, and government claim litigation. He is currently board chair of New Energy Economics, which supports competitive acquisition of new utility generation and demand resource portfolios to manage risks, based on rapidly changing economic fundamentals. He served for seven years from 1984 to 1991 as Chairman and Commissioner of the Colorado Public Utilities Commission. He has served on corporate and foundation boards of directors and boards of advisors. He completed terms as an appointed member of panels charged to make recommendations on electric industry restructuring, renewable energy resources, and transmission needs to the Colorado General Assembly, and as President and Commissioner of the Denver Board of Water Commissioners, the water utility for Denver and surrounding suburban areas.

Education

Dartmouth College, University of Sheffield, BA, cum laude, history.
University of Colorado College of Law, JD.

Work History

Executive Director, Colorado Institute on Population Problems, 1972.

Legislative Lobbyist, Colorado Open Space Council, 1973-74.

Conservation Manager, Attorney, founding staff, Colorado Office of Energy Conservation, 1975-1981.

- Wrote DOE grant establishing Office of Consumer Advocate, later enabled by statute as Colorado Office of Consumer Council, now, with expanded scope Colorado Office of Consumer Advocate
- Filed a utility commission case, representing the state of Colorado, first developed by Environmental Defense Fund Oakland office, then by Arkansas Attorney General

Clinton, based on “Energy Strategy, the Road Not Taken” in which Amory Lovins first pointed out that energy comprises both supply *and* demand side opportunities.

Attorney in private law firm, working with clients on corporate and partnership formations, real estate transactions, bankruptcy, mergers and acquisitions. Represented Electrowatt, the largest private Swiss utility in primary energy and hydropower acquisitions. 1981-1984.

Appointed commissioner, chairman of the Colorado Public Utilities Commission. 1984-1991.

- Presided over first commercial scale utility nuclear plant shut down and decommissioning, Fort Saint Vrain Nuclear Generation Station, enabled by a performance standard addressing plant failure to operate reliably.
- As a member of FCC Joint Boards representing NARUC, investigated whistleblower allegations of fraudulent FCC accounting filings by telephone utilities in the context of access charge tariffs reallocating billions of dollars of total industry investment and expense between local and long distance services that led to the largest fines for four Bell operating companies that FCC had levied.
- Worked with other commissioners to establish NARUC’s Energy Conservation Committee, now its Committee on Energy Resource and Environment.
<https://maxxwww.naruc.org/forms/committee/CommitteeFormPublic/viewExecCommittee?id=764000C03D7>
 - Worked with other commissioners to create and socialize integrated resource planning.
- Founded and supported western regional, cross-state regulatory approaches leading to creation of the Committee on Regional Electricity Cooperation (CREPC) within the Western Interstate Electric Board (WIEB) and the Regional Oversight Committee, aimed at curbing regional telephone monopoly misbehaviors.
- Created the basis for Colorado’s approach to new resource acquisitions by electric utilities, combining extensive planning with workably competitive procurements, resulting in today’s industry-leading numbers of bids and low prices.
<https://energyinnovation.org/wp-content/uploads/2020/04/All-Source-Utility-Electricity-Generation-Procurement-Best-Practices.pdf>

Opened the Texas wind market with partners Dennis Thomas and Will Guild using Deliberative Polls (created by Jim Fishkin) to consult random samples of Texas (and later Vermont, Nova Scotia, and Nebraska) utility customers about what they wanted utilities to provide.
<https://www.nrel.gov/docs/fy03osti/33177.pdf>

Founded and supported the Utility Photovoltaic Group, a DOE funded project to investigate and report on currently cost-effective PV applications within utilities that found about 300 applications where PV was more cost effective, mainly providing alternatives to more costly line extensions to serve small loads. <https://aip.scitation.org/doi/10.1063/1.49362>

Founded and supported the National Wind Coordinating Committee, a policy dialogue between the electric industry represented by the Edison Electric Institute, and the nascent wind industry, represented by the American Wind Energy Association, focused on answering the question “what can we agree on about wind energy?” starting with a series of single text, negotiated

analyses of ten key wind and electric industry issues. Consensus was reached on nine describing such issues as technology, wind forecasting, avian-wind interactions, interconnection and transmission, but without reaching consensus on costs. Results were shared in state level wind outreach meetings in most states with good wind resources. <https://rewi.org/nwcc-timeline/>

Founded and supported the Interwest Energy Alliance, combining clean energy companies and advocates to advocate for new policies in the Four Corners states plus Nevada and Wyoming. www.interwest.org

Litigated the first occasion where wind integration costs were decided by a state commission, regarding client GE Wind's Colorado Green Wind Project, rejected by PSCo adding \$61 million in additional integration and related costs to the bid price. Commission found additional costs to be \$3-5 million, resulting in the bid being the lowest cost resource in the bid stack, and requiring PSCo to negotiate a contract for the project. <https://www.nrel.gov/docs/fy01osti/30551.pdf>

Founded and continues to support the Western Grid Group, and its supporting coalition, Western Clean Energy Advocates, addressing new wholesale and regional markets, improved planning and system integration approaches, and "smart from the start" transmission planning in the western electric interconnection. www.westerngrid.net

Contributed to writing and provided advocacy support for legislation and ballot initiative (Amendment 37 on the 2004 state-wide ballot) that established the Colorado renewable energy standard, ten percent by 2015, first such standard resulting from a state-wide citizen vote. <https://programs.dsireusa.org/system/program/detail/133>

Contributed to restarting and encouraging interest in performance-based rate making, with partner Ron Binz, with analysis and a broadly based consultative process.

<http://www.rbinz.com/U2020PublicReport.pdf>
<https://www.sciencedirect.com/science/article/abs/pii/S1040619013002091>
<https://energyinnovation.org/resources/project-series/going-deep-performance-based-regulation/>
<https://www.youtube.com/watch?v=wJEzbE-iWFk>
https://eta-publications.lbl.gov/sites/default/files/feur_8_utility_incentives_for_grid_mod_rev_062617.pdf

Worked within the Western Electricity Coordinating Council to improve western regional markets and planning.

- Identified proposals for an Energy Curtailment Calculator and an Energy Imbalance Market within the WECC Markets Interface Committee, helped to bring attention to the EIM proposal among western regulators, resulting in the CAISO EIM market that has saved customers about \$2.5 billion to date.
<https://www.westerneim.com/Pages/About/default.aspx>
<https://www.westerneim.com/Pages/About/QuarterlyBenefits.aspx>
- Brought Global Business Network approach to scenario planning to the WECC Scenario Planning Steering Group, created scenario plans a decade in advance that accurately identified western electric sector driven by climate policy.
<https://www.wecc.org/SystemAdequacyPlanning/Pages/Scenario-Planning.aspx>

As Commissioner and President of the Denver Board of Water Commissioners, brought integrated supply and demand planning, emphasizing important roles for water conservation as Denver's contribution to collaborative solutions to region-wide aridification and declining Colorado River basin water yields and started multisector attention to forest health in response to catastrophic wildfires and flooding that threaten Denver's water supplies and facilities long term. <https://www.denverwater.org/your-water/water-supply-and-planning/watershed-protection-and-management>

Analyzed and described Colorado's competitive procurement model for utilities using all source bidding to acquire new supply and demand side resources. Recognized in late 2013 that adding more wind and solar to Xcel's resource portfolios reduced costs of service for consumers, an early indication of shifting fundamental economics.

<https://www.utilitydive.com/news/xcels-record-low-price-procurement-highlights-benefits-of-all-source-compe/600240/>

<https://energyinnovation.org/wp-content/uploads/2020/04/All-Source-Utility-Electricity-Generation-Procurement-Best-Practices.pdf>

https://energyinnovation.org/wp-content/uploads/2019/11/Monopsony-Brief_December-2019.pdf

As part of broader work on utility financial transition, identified and adapted securitized or ratepayer backed AAA rated bonds used in 1990's electric industry restructuring for use in creating consumer benefits when applied to retirement and replacement of uneconomic generation facilities. Passed into law in Colorado in 2019, along with similar laws in New Mexico and Montana. Later adopted in Kansas and Missouri and currently under consideration in several other states. Added the policy goal of aiding workers and communities facing abrupt transition from fossil resources with low-cost AAA bond financing to the Colorado legislation. Section 1706 of the Inflation Reduction Act appropriates \$5 billion and authorizes \$250 billion to DOE to achieve these same purposes, among others.

<https://energyinnovation.org/wp-content/uploads/2018/12/Managing-The-Utility-Financial-Transition-From-Coal-To-Clean.pdf>

<https://energyinnovation.org/policy-programs/power-sector-transformation/financial-transition/>

<https://rmi.org/important-clean-energy-policy-youve-never-heard-about/>

https://energyinnovation.org/wp-content/uploads/2020/09/Securitization-Brief_September-2020.pdf

RLL-Exhibit-2

RLL-Exhibit-2. Georgia Power's Currently Identified IRA benefits 2022-2025

Potential Tax Credits (in millions)	2022	2023	2024	2025
Energy Storage Credits	\$-	\$31.7	\$-	\$-
Solar Credits	\$-	\$-	\$-	\$0.4
EV Charger Credit Amortization	\$0.1	\$0.2	\$0.2	\$0.3

Source: Table reproduced from Data Request STF-LA-5-14 (Document 191627, Page 2).

RLL-Exhibit-3

RLL-Exhibit-3. Examples of Policies Now Available to Georgia Power

Category	Section Number	Title	Funding Amount
Tax Credits (IRA)	13101	Extension of current production tax credit by technology	\$51 billion
	13701	New clean electricity production tax credit	\$11.2 billion
	13102	Extension of current investment tax credit by technology	\$13.9 Billion
	13702	New clean electricity investment tax credit	\$50.8 billion
	13105	Zero-emission nuclear production tax credit	\$30 billion
Refinancing (IRA)	50144	Energy infrastructure reinvestment financing	\$250 billion
Transmission Financing (IRA)	50151	Transmission facility financing loans	\$2 billion
	50152	Funding to facilitate transmission siting	\$760 million
Transmission Financing (IIJA)	40106	Transmission facilitation program	\$50 million
	40107	Smart grid investment program	\$3 billion

Source: Funding data from Climate Program Portal, 2022, Atlas Public Policy, Available at <https://climateprogramportal.org/>.

RLL-Exhibit-4

RLL-Exhibit-4. Summary of Electricity Tax Credit Provisions in the IRA

Category	PTC	ITC
Base credit	\$5.20/MWh	6%
Full credit	\$26/MWh	30%
Domestic content bonus	+10%	+10 p.p.
Energy community bonus	+10%	+10 p.p.
Maximum value	\$31.20/MWh	50%

RLL-Exhibit-5

SEC. 50144. Energy infrastructure reinvestment financing.

(a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$5,000,000,000, to remain available through September 30, 2026, to carry out activities under section 1706 of the Energy Policy Act of 2005.

(b) Commitment authority.—The Secretary may make, through September 30, 2026, commitments to guarantee loans for projects under section 1706 of the Energy Policy Act of 2005 the total principal amount of which is not greater than \$250,000,000,000, subject to the limitations that apply to loan guarantees under section 50141(d).

(c) Energy infrastructure reinvestment financing.—Title XVII of the Energy Policy Act of 2005 is amended by inserting after section 1705 ([42 U.S.C. 16516](#)) the following:

“SEC. 1706. Energy infrastructure reinvestment financing.

“(a) In general.—Notwithstanding section 1703, the Secretary may make guarantees, including refinancing, under this section only for projects that—

“(1) retool, repower, repurpose, or replace energy infrastructure that has ceased operations; or

(2) enable operating energy infrastructure to avoid, reduce, utilize, or sequester air pollutants or anthropogenic emissions of greenhouse gases.

“(b) Inclusion.—A project under subsection (a) may include the remediation of environmental damage associated with energy infrastructure.

“(c) Requirement.—A project under subsection (a)(1) that involves electricity generation through the use of fossil fuels shall be required to have controls or technologies to avoid, reduce, utilize, or sequester air pollutants and anthropogenic emissions of greenhouse gases.

“(d) Application.—To apply for a guarantee under this section, an applicant shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, including—

“(1) a detailed plan describing the proposed project;

“(2) an analysis of how the proposed project will engage with and affect associated communities; and

“(3) in the case of an applicant that is an electric utility, an assurance that the electric utility shall pass on any financial benefit from the guarantee made under this section to the customers of, or associated communities served by, the electric utility.

“(e) Term.—Notwithstanding section 1702(f), the term of an obligation shall require full repayment over a period not to exceed 30 years.

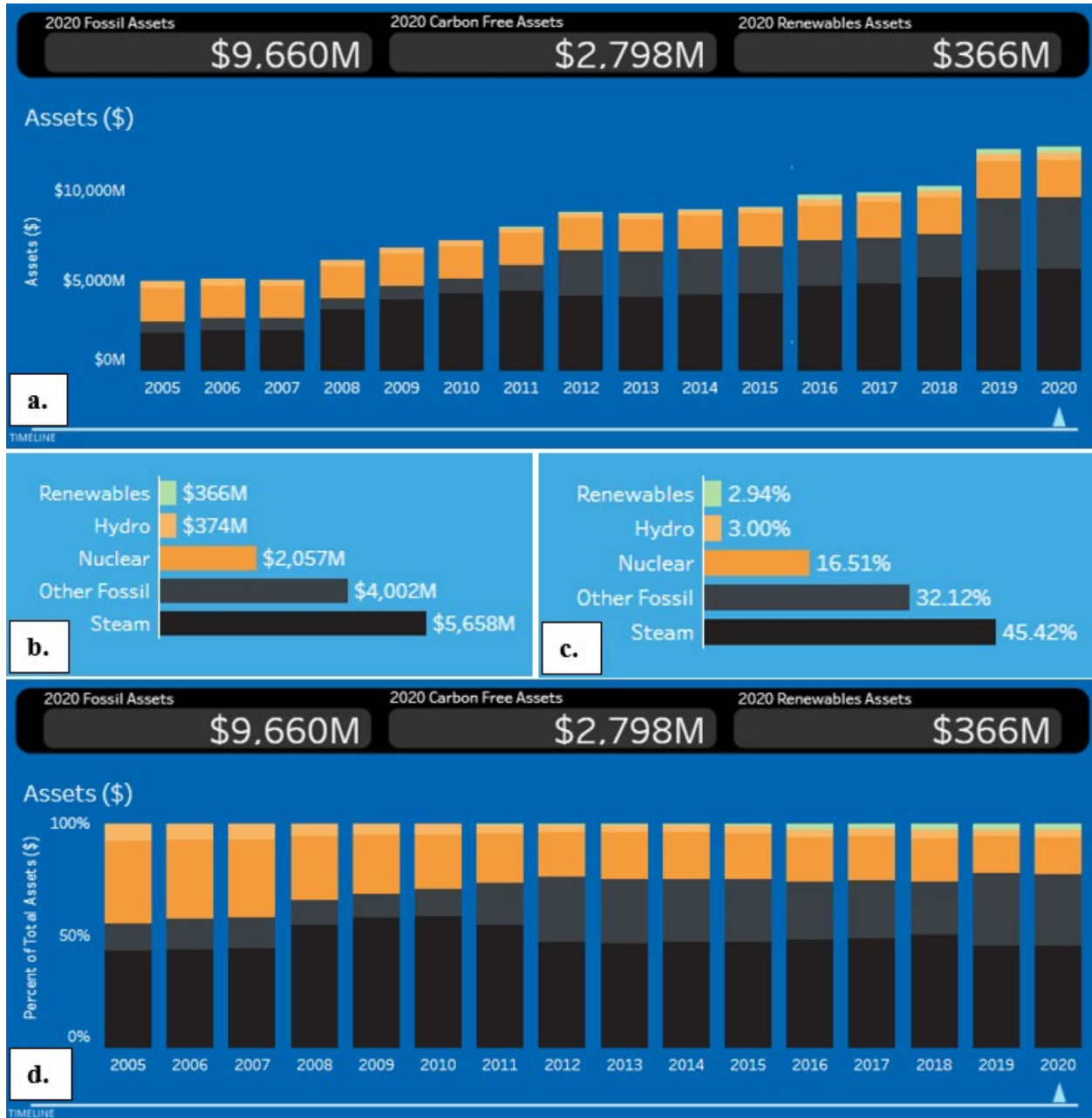
“(f) Definition of energy infrastructure.—In this section, the term ‘energy infrastructure’ means a facility, and associated equipment, used for—

“(1) the generation or transmission of electric energy; or

“(2) the production, processing, and delivery of fossil fuels, fuels derived from petroleum, or petrochemical feedstocks.”.

RLL-Exhibit-6

RLL-Exhibit-6. Georgia Power’s Generation Assets in U.S. Dollars (\$) and Percent (%)



Source: Adapted from Rocky Mountain Institute’s Utility Transition Hub: Finance Data - Assets, Available at <https://utilitytransitionhub.rmi.org/finances/>; (a) generation assets in U.S. dollars, (b) technologies in U.S. dollars, (c) technologies by percent of total assets, (d) generation assets as percent of total assets.