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DOCKET NO. 44847

IN RE: GEORGIA POWER COMPANY'S APPLICATION FOR APPROVAL OF THE CLEAN AND RENEWABLE ENERGY SUBSCRIPTION (CARES) PROGRAM

ORDER APPROVING CARES PROGRAM, TARIFFS, AND AGREEMENTS WITH MODIFICATION

The Georgia Public Service Commission's ("Commission") July 29, 2022 Order Adopting Stipulation in Docket No. 44160 (Georgia Power Company's ("Georgia Power" or "Company") 2022 Integrated Resource Plan ("IRP")) approved a request by the Company to procure 2,100 megawatts ("MW") alternating current ("AC") of new utility scale renewable resources. The Company will procure utility scale resources greater than 6 MW AC in size for Commercial and Industrial ("C&I") customer subscriptions through the Clean and Renewable Energy Subscription ("CARES") Program. The first Request for Proposals ("RFP") for the CARES Program is expected to be issued in 2023 and will target 1,050 MW of renewable resources with expected commercial operation dates of 2026 or 2027. A second RFP is expected to be issued in 2025, seeking to procure the remaining MW needed to reach the 2,100 MW target procurement, with commercial operation dates of 2028 or 2029. Any resources not fully subscribed through the CARES Program will serve all retail customers. The Company also plans to conduct a separate RFP to procure the renewable resources for the carbon-free, around the clock ("CFE-ATC") portion of the CARES Program.

The Commission's Order also addressed the expected costs and revenues for the CARES Program:

> *"The following will be included in the fuel clause and recovered through the Fuel Cost Recovery Mechanism ("FCR"): (i) all revenues collected through the CARES Program, with the exception of the additional sum as described in Paragraph 23, and (ii) all appropriate costs that are not recovered elsewhere by the Company and are incurred in connection with the procurement of the aforementioned resources for subscription in the CARES Program. CARES Program costs and revenues which are to be included in FCR include but are not limited to the following: (i) the costs to implement and administer the CARES Program, (ii) the bid fees collected in connection with the CARES Program, the fees collected from subscribing customers, and (iii) the PPA that are executed to supply the CARES Program, including any payments for PPAs made by participants."*

Final program and tariff designs for individual CARES carve-outs were ordered to be finalized after the 2022 IRP through negotiations with the Commercial Group, the Georgia Association of Manufacturers, the Georgia Coalition of Local Governments, and Commission Staff ("Staff").

As directed by the Commission's 2022 IRP Order, Georgia Power met with the Commercial Group, the Georgia Coalition of Local Governments, and the Georgia Association of Manufacturers in October-November 2022 to collect feedback on the Company's proposed CARES Program. The Company also met with Staff on several occasions to discuss the proposed CARES Program and the subsequent CARES Program filing. On December 8, 2022, in Docket No. 44847, Georgia Power filed an application for Commission approval of its CARES Program, tariffs, and agreements.

The CARES Program is designed to allow C&I customers to purchase subscriptions for the output of utility scale renewable resources procured through RFPs. Participating customers will receive either monthly CARES charges and/or credits in addition to their purchases of retail

electric service. Customers that choose the variable price option will receive a pro-rata share of the actual hourly production from the portfolio of projects procured for the CARES Program. Customers that choose a fixed price option will only receive the Renewable Energy Credits ("RECs") for their pro-rata share of project output. As proposed, the CARES Program will have MW carve-outs for Municipalities, Universities, Schools, and Hospitals ("MUSH"), customers seeking CFE-ATC, customers with existing load ("Existing Load"), customers with new load ("New Load"), and an option targeting new economic development load that may require the Company to procure additional renewable energy over and above the Company's approved 2022 IRP procurement target ("Economic Development").

CARES Program (MW Carve-outs)

Customer Group	**MW Allotment**	**Project Size**	**Allocation**
Existing Customers	900 MW	>= 3 MW	Pro-rata
New Load	500 MW	>= 15 MW	1st Come / 1st Served
MUSH	50 MW	1-3 MW	Pro-rata
CFE-ATC	650 MW	>= 25 MW	Pro-rata
Total Procurement	**2,100 MW**		

As proposed, a one-time CARES notice of intent ("NOI") Participation Fee of $5,000 will apply to customers interested in participating as an Existing Customer, New Customer, MUSH Customer, or Economic Development Customer. Customers interested in participating as a CFE-ATC Customer will be required to pay a one-time $10,000 CARES NOI Participation Fee.

Both variable and fixed pricing options will be available for the Existing Load, New Load, and MUSH portions of the program. The CFE-ATC and Economic Development portions of the program will only be offered variable pricing.

Under the variable pricing option participating customers will pay a price per kilowatt hour ("kWh") charge for the variable output associated with their pro-rata share of the portfolio

capacity. The price per kWh charge will be comprised of a levelized weighted average production cost of the CARES portfolio of utility scale projects, levelized transmission cost, a Renewable Integration Cost, a levelized additional sum, an Administrative Fee, and an optional Community Adder Fee. The Commission's 2022 IRP Order set the Renewable Integration Cost and additional sum for projects procured through the CARES Program at $1.93/MWh (which is $0.00193/kWh) and $3 per kilowatt ("kW") annually, respectively. The Company will provide participating customers hourly credits at the hourly operating cost of incremental generation based upon the customer's subscription for a pro-rata share of the hourly amount of energy produced by the applicable CARES Portfolio. Also, under the CFE-ATC program participating customers will receive a capacity credit for avoided or deferred generation capacity.

Under the fixed pricing option, participating customers will pay a fixed price per kWh charge for the variable output associated with their pro-rata share of the portfolio capacity. The fixed price per kWh charge will be comprised of the current and projected value of RECs at the time of contracting, an Administrative Fee, and an optional Community Adder Fee. The Company will not provide participating customers hourly credits.

An optional community adder fee will allow participating customers the opportunity to support renewable energy for specific communities. Once the renewable resources supplying the CARES Portfolios are online, Georgia Power proposes to use the funds generated from participating customers through the optional Community Adder to fund a dedicated community-based program.

Staff reviewed the Company's December 8, 2022 filing in addition to other parties' feedback on the documents and recommended approval with one proposed modification:

In the Company's CARES Program Application, Section IV. CARES Portfolio, Staff proposes to add the phrase "with Commission approval" at the end of the sentence: "Depending upon the final structure of the pro forma Supplier PPAs approved by the Commission in the

Company's utility-scale renewable RFPs, Georgia Power reserves the right to modify the Customer Agreements, as appropriate."

The Commission approved Staff's recommendation at the January 17, 2023 Administrative Session.

* * * * * * * * * * * *

WHEREFORE IT IS ORDERED that Georgia Power Company's December 8, 2022 application for approval of its Clean and Renewable Energy Subscription Program, as amended by Commission Staff's recommendation, is hereby approved.

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

ORDERED FURTHER, that a motion for reconsideration, rehearing, or oral argument or any other motion shall not stay the effective date of this Order, unless otherwise ordered by the Commission.

ORDERED FURTHER, that jurisdiction over this matter is expressly retained for the purpose of entering such further Order or Orders as this Commission may deem just and proper.

The above by action of the Commission in Administrative Session on the 17th day of January, 2023.

Sallie Tanner
Executive Secretary

1-24-23
Date

Tricia Pridemore
Chairman

1-24-23
Date