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JASON SHAW

REECE McALISTER
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Georgia Public Service Commission

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(404) 656-4501
(800) 282-5813

244 WASHINGTON STREET, SW
ATLANTA, GEORGIA 30334-5701

FAX: (404) 656-2341
psc.ga.gov

DOCKET NO. 44880

IN RE: GEORGIA POWER COMPANY'S 2023 BIOMASS REQUEST FOR PROPOSALS

ORDER APPROVING FINAL REQUEST FOR PROPOSALS AND POWER PURCHASE AGREEMENT DOCUMENTS WITH MODIFICATIONS

On March 10, 2023 Georgia Power Company ("Georgia Power" or "Company") filed the Final Draft of Georgia Power's 2023 Biomass Request for Proposals ("RFP") and Pro Forma Power Purchase Agreements ("PPAs") for Georgia Public Service Commission ("Commission") approval. As approved by the Commission in its Order Adopting Stipulation in Docket No. 44160 ("2022 IRP Final Order") regarding Georgia Power's 2022 Integrated Resource Plan ("IRP"), Georgia Power will procure up to 140 megawatts ("MW") of new biomass capacity and energy for Georgia Power customers. The Company will procure biomass resources up to 80 MW in size with expected commercial operation dates of June 2025 through 2029.

Accion Group, LLC has been selected by the Commission as the Independent Evaluator ("IE") for this solicitation. All communications and submission of bids will be through the IE's website [https://gpcbiomass.accionpower.com] ("IE Website"). Projects may be located anywhere in the United States but must be able to deliver their energy to Georgia Power. Georgia Power's evaluation will primarily focus on a bid's economic net benefits, but other qualitative and non-price attributes, such as locating a bid's project facility in Georgia, will be considered, especially where one or more Bids offer a substantially similar economic benefit.

Proposals must be fueled by Biomass, and other approved fuels, and bundled with the Environmental Attributes and all Electrical Products produced by or related to the production of such Energy. New Greenfield Projects and Biomass Addition Projects will be accepted. Bidders can elect a project term of 10, 15, 20, 25, or 30 years. For the evaluation of proposals with unequal contract term lengths, the Company will utilize its projected avoided costs to be able to evaluate bids on an equivalent basis. This method is consistent with what was done in prior RFPs. Georgia Power has indicated that it will not accept any self-built or Company-owned proposals from Georgia Power, nor Turnkey Projects in this RFP.

In accordance with the Commission's 2022 IRP Final Order, Bidders must provide a description of the number and nature of new jobs, if any, that its Project will provide, the amount of new capital investment that will be put into such Project, and other information relevant to economic development stemming from the Project to support rural job and economic development growth in Georgia.

Bidders are required to submit with each bid a non-refundable minimum "Bid Fee" of five thousand dollars ($5,000), or three hundred dollars per MW ($300/MW), whichever is greater. The first thousand dollars ($1,000) of each Bid Fee will be used to defray a portion of the IE cost. The remainder of the IE cost will be covered by a fee assessed upon each winning bid ("Winner's Fee"). The Winner's Fee will be determined once the final amount of Renewable Energy to be purchased is set and the IE costs are known; however, the Winner's Fee will not exceed two hundred twenty-five thousand dollars ($225,000.00). This amount will be allocated pro rata among all winning bids based upon each bid's total projected revenue over the PPA term compared to the total projected revenues over the PPA term of all winning bids.

For each unique bid submitted, a bidder will be permitted to provide up to two pricing alternatives: (1) a fixed price for the selected term and (2) an escalating price. A Bidder may submit a proposed price that adjusts annually using the Gross Domestic Product Implicit Price Deflator ("GDPIPD") for each year of the Term, except that the escalation of the Energy Price may be no more than 4.75% per year.

If a proposed project interconnects with the Southern Company Transmission System, any costs for new or modified equipment on the Southern Company Transmission System beyond the point of interface ("POI") will be imputed to the bid during the bid evaluation and should not be included in the bid price. However, any costs associated with Transmission System upgrades on systems other than the Southern Company Transmission System are solely the bidder's responsibility and should be included in the bid price.

Bids selected for the Competitive Tier must post a bid bond within 21 Business Days after notification of acceptance into the Competitive Tier, in the form of (i) cash deposited into a Security Account; (ii) a Surety Bond 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 Best; or (iii) a Letter of Credit, equal to the product of 1% multiplied by the sum of the expected revenues during the first five (5) years of the PPA Term but not to exceed $3,000,000, as proposed.

On February 1, 2023, draft RFP and PPA documents were posted to the IE Website to allow potential bidders the opportunity to submit comments and offer revisions to the documents.

On February 16, 2023 Georgia Power conducted a Bidder's Conference pre-bid webinar for potential Bidders and interested parties to discuss the 2023 Biomass RFP process and the draft RFP Documents with GPC, Commission Staff ("Staff"), and the IE. There were 42 attendees (either online or in-person) that participated. Topics discussed at the Bidders' Conference included transmission, interconnection, and environmental instructions.

The 2023 Biomass RFP comment period concluded on March 2, 2023 and over 20 comments were uploaded by parties and prospective bidders. Each of the comments received were reviewed by Staff, Georgia Power, and the IE and a response to the comment was provided by the IE to every commenter.

On March 10, 2023 revised drafts of the RFP and PPA documents were posted to the IE website and filed with the Commission for consideration and approval. The Final Draft RFP and

PPA documents that were filed by Georgia Power reflected several changes from the initial draft documents. Modifications were made to address questions and concerns of potential bidders that were submitted by parties and prospective bidders during the comment period.

On March 22, 2023, the IE facilitated a meeting with Staff, Georgia Power and International Paper in order to further discuss the responses to the comments regarding the Draft RFP and PPA that were posted by International Paper. Topics discussed included: Force Majeure provision, Change of Law, Performance Testing, and Replacement Energy.

On March 29, 2023, Georgia Power posted additional responses to the comments brought up during the March 22, 2023 discussion to the IE website.

Staff reviewed the comments that were received on the IE website concerning the draft documents and Georgia Power's subsequent modified changes to the draft documents. Staff recommended approval of the 2023 Biomass RFP document and Pro Forma PPAs (Biomass Addition and Greenfield) as filed with an updated Solicitation Schedule to be decided later. At its April 4, 2023 Administrative Session, the Commission approved the following motion by Commissioner Shaw:

> *I make a motion to lower the Bid Security cap for the Biomass RFP from $3 million to $1.5 million.*

The Commission approved Staff's recommendation, as amended by Commissioner Shaw's motion on a 4 to 1 vote, with Commissioners Echols, Johnson, McDonald, and Shaw voting in favor, with Chairman Pridemore voting in opposition, at the April 4, 2023 Administrative Session.

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WHEREFORE IT IS ORDERED that the Final Draft of the 2023 Biomass Request for Proposals and Pro Forma Biomass Addition and Greenfield Power Purchase Agreements, as amended by Commissioner Shaw's motion and with schedule modifications recommended by Staff, are 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 4th day of April, 2023.

Sallie Tanner
Executive Secretary

4-21-23
Date

Tricia Pridemore
Chairman

4-21-23
Date