STATE OF GEORGIA
BEFORE THE PUBLIC SERVICE COMMISSION

In Re:	)	
Georgia Power Company's 2023 Integrated Resource Plan Update	)	**Docket No. 55378**

POST-HEARING BRIEF AND RECOMMEDNATIONS BY GEORGIA CENTER FOR ENERGY SOLUTIONS

Georgia Center for Energy Solutions (GCES) submits its Post-Hearing Brief with Intervenor comments and recommendations in response to the evidence presented before the Georgia Public Service Commission in the following docket: Docket No. 55378, Georgia Power Company's 2023 Integrated Resource Plan Update. GCES strongly urges the Commission and PIA Staff to review and adopt in the final order in this docket the recommendations provided here. It is clear that the secretly negotiated stipulation agreement does *not* serve the public policy interest.

FUNDAMENTAL FLAWS IN THIS IRP

An IRP is an *Integrated* Resource Plan, not a capacity only plan. A capacity resource can only serve as a capacity resource if it has fuel for operations. Removing the fuel costs, fixed and variable O&M costs, and environmental compliance costs as Georgia Power Company has done in order to compare only capacity costs is like buying a $70,000 Ford Super Duty F-350 but not accounting for the $7,000 per year in fuel and maintenance costs. All three fossil plants—the Plant Yates CTs, the Power Purchase Agreement (PPA) from Mississippi Power Company for retiring Plant Daniel's uneconomic coal power, and the Santa Rosa PPA—cannot function as capacity

resources without these costs included, and any attempt to exclude them from the economic analysis is flawed and misleading.

Georgia Power Company Chief Financial Officer (CFO) Abramovitz presented "*Figure 1: 2023 IRP Update: Levelized Revenue Requirement Impact (2026-2028)*" in his written testimony and clarified in his oral testimony that only capacity costs were considered in Figure 1. Combustion turbines have a low capital cost but high operating cost, whereas Battery Energy Storage Systems (BESS) have a high capital cost but low operating cost. Mr. Abramovitz presents Figure 1 without fuel costs, O&M costs, etc. because the Net Benefit for Customers of the Georgia Power Company proposed fossil capacity plan would appear much smaller ($77 million per year), even after factoring in the incremental revenues from the variable portion of the large load tariff. Georgia Power Company intentionally biases its analysis by presenting only capacity costs. By contrast, a plan that focuses on BESS would see a Net Benefit for Customers that is nearly double ($134 million per year) that of a plan with Plant Yates CTs and the PPAs. Finally, a plan that focuses on Virtual Power Plants such as the Battery Bonus Program at Hawaii Electric Co. would multiply the Net Benefit for Customers by nearly 6x to **$443 million per year** or $1,329 million over the three years 2026-2028. See Figure 1 "*Corrected Bar Chart of Net Benefit for Customers*", attached hereto.

Indeed, the very Exhibit 3 "*Capital Cost Comparison from Lazard's 2023 Levelized Cost of Energy Analysis*" that Georgia Power Company cites in its Rebuttal Testimony is deceptively edited to exclude the next two graphs in the Lazard 2023 LCOE Analysis, which show gas peaking technology such as the Plant Yates CTs as far more expensive than utility-scale solar PV + storage when considered on a levelized cost basis. Solar PV + storage is also a capacity resource but with a much lower levelized cost of energy, given in Georgia Power Company's own exhibit.[1]

[1] https://www.lazard.com/media/2ozoovyg/lazards-lcoeplus-april-2023.pdf

There are several more meritorious criticisms presented by GCES and other intervenors in this proceeding and in email communication with Georgia Power Company and with Commission PIA Staff. Moreover, GCES and other intervenors have provided low-cost and pragmatic solutions that do not appear in the stipulation agreement, and which Georgia Power Company has dismissed or pushed off to a future IRP, and on which PIA Staff have failed to engage with Intervenors. GCES and other parties to this docket received the secretly-negotiated stipulation minutes before the proceeding opened to hear oral testimony and cross examination of this very agreement. As a result, the proposed plan is unjust and imprudent and will result in dramatically lower Net Benefit for Customers than available today while locking the state of Georgia into brand new Plant Yates CTs that are expected to operate for 40 years or more and emit each year three (3) million tons of carbon dioxide and other harmful emissions.

Key Question: 94% of power projects built in the United States in 2024 will be solar, wind, or battery.[2] The remaining 6% is split between 2% nuclear, which is entirely the Vogtle expansion, and 4% gas that is cheap to build but expensive to run and extremely risky in the long-run. What special information does Georgia Power Company have that the other 94% of solar, wind, and battery projects being built this year in the United States do not have?

STIPULATION RECOMMENDATIONS

GCES respectfully requests that the Commission amend the stipulation agreement as follows and incorporate the below Proposed Orders into the final stipulation agreement:

1. Strike paragraph 7 of the stipulation agreement and deny the Application for Certification of the Plant Yates Unit 8-10 CTs and deny regulatory asset treatment of

[2] https://www.eia.gov/todayinenergy/detail.php?id=61424

the $250 million in imprudent and unjustified development costs in pursuit of this asset. Instead, require Georgia Power Company to develop or procure BESS, solar+storage, and Distributed Energy Resources to meet a 50th percentile projection of load growth.

2. Deny the MPC PPA and Santa Rosa PPA that were procured extra-legally according to O.C.G.A. § 46-3A-3(a) that states: "*Actions prohibited without a certificate of public convenience and necessity (a) After January 31, 1992, no utility shall commence the construction of an electric plant, sell an existing plant or any portion thereof which is included in the retail rate base or which has been certified, enter into a long-term purchase of electric power, or make expenditures for a demand-side capacity option for serving the utility's Georgia retail customers without having first obtained from the commission a certificate that public convenience and necessity requires, or will require, such construction, sale, purchase, or expenditure. and any regulatory asset treatment should be denied.*" Note that the exemption to a competitive RFP process under Commission rules in paragraphs 4 and 5 in the stipulation agreement have a citation that does not exist - the correct rule is 515-3-4-.04(3)(f). It is difficult to count how many exceptions to Commission rules are in this stipulation agreement (see paragraph 10).
3. Direct Georgia Power Company to pursue significantly more BESS capacity resources, solar+storage hybrid capacity resources, distributed energy resources that serve as capacity resources such as Virtual Power Plants like the Battery Bonus program at Hawaii Electric Co., and grid-enhancing technologies that enhance the deliverability of existing capacity resources.

REGARDING GCES MEMBERSHIP AND QUALIFICATIONS

PIA Staff and Commissioner Pridemore asked about GCES membership and qualifications, respectively. GCES provides the full entirety of its intentions, direction, and approval of its membership in its application for leave to intervene. "*GCES is a 501(c)(3) nonprofit Georgia-based corporation formed to promote the development of an economic and regulatory framework to transition Georgia's electric sector, transportation sector, and other sectors in the state to a 100% clean energy (zero carbon) future in an equitable, reliable, resilient, sustainable, and economically efficient manner and in furtherance of the public benefit.*" This is the singular motivation of GCES, particularly as residential electricity rates have risen 68% since the Consumer Utility Counsel was defunded and the Vogtle expansion was approved, while industrial electricity rates have risen 28%.[3] GCES, through its expert witness Mr. Hubbard, brings 12 years of experience in IRP work, first at Siemens Energy Business Advisory, then at AFRY Management Consulting, and now at GCES. Mr. Hubbard has testified on IRP proceedings before the Puerto Rico Energy Bureau (PREPA IRP), Indiana Utility Regulatory Commission (Vectren IRP), and the Georgia Public Service Commission. He has provided expert testimony in the TVA 2024 IRP and ran the natural gas model (GPCM) and/or capacity expansion and production costing model for electricity (Aurora) for multiple utilities including Orlando Utilities Commission, Eversource, TVA, and Vectren.

Respectfully submitted this 4th day of April, 2024.

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[3] Sources: GCES for Historical Average Electricity Price located here: https://www.georgia-ces.org/2023-irp-update and STF-DEA-3-4 located here: https://psc.ga.gov/search/facts-document/?documentId=216861

Figure 1 – Corrected Bar Chart of Net Benefit for Customers

