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April 4, 2024

Ms. Sallie Tanner
Executive Secretary
Georgia Public Service Commission
244 Washington Street, SW
Atlanta, GA 30334-5701

Re: Georgia Power Company's 2023 Integrated Resource Update, Docket No. 55378

Dear Ms. Tanner:

Enclosed for filing with regard to the above-referenced proceeding is the Post-Hearing Brief of Georgia Power Company.

Please call me at 404-885-3475 if you have any questions regarding this filing.

Sincerely,

Steven J. Hewitson

Enclosure

BEFORE THE
GEORGIA PUBLIC SERVICE COMMISSION

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

POST-HEARING BRIEF OF GEORGIA POWER COMPANY

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Dated: April 4, 2024

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BEFORE THE
GEORGIA PUBLIC SERVICE COMMISSION

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

POST-HEARING BRIEF OF GEORGIA POWER COMPANY

I. INTRODUCTION

This matter pending before the Georgia Public Service Commission (the "Commission") is Georgia Power Company's ("Georgia Power" or the "Company") 2023 Integrated Resource Plan ("IRP") Update ("IRP Update"). The Company filed its application seeking approval of the IRP Update on October 27, 2023, pursuant to the planning process established by the Integrated Resource Planning Act of 1991 (the "IRP Act") as well as Commission Rule 515-3-4-.06(5). That Commission rule requires the Company to submit an amendment to its IRP if the Company anticipates submitting an application for a certificate to construct or purchase a supply-side or demand-side capacity resource that was not previously approved as part of the IRP, or if it finds that other conditions, such as an increase in its projected load forecast, warrant an amendment. Included within the Company's IRP Update are the Application for Certification of Yates 8-10 ("Yates Certification Application"), the Company's requests for certification of the Mississippi Power Company ("MPC") and Santa Rosa Energy Center ("Santa Rosa") power purchase agreements ("PPAs") (collectively, the "Certification Applications"), and the Company's request to amend the certificate for the Residential Thermostat Demand Response Demand Side Management ("DSM") Program.

On March 27, 2024, Georgia Power and the Commission's Public Interest Advocacy Staff ("PIA Staff") entered into a stipulation resolving all issues in this proceeding (the "Stipulation"). Since then, several Intervenors, specifically, the Georgia Association of Manufacturers ("GAM"), Advanced Power Alliance ("APA"), Clean Energy Buyers Association ("CEBA"), Georgia Watch, Metropolitan Atlanta Rapid Transit Authority ("MARTA"), Southern Renewable Energy Association ("SREA"), and Walmart Inc. (collectively, the "Stipulating Parties") have also signed on to the Stipulation. For the reasons set forth herein, Georgia Power's request, as modified by the Stipulation, benefits all customers by preserving and protecting reliability and supporting the continued economic development of our state, all while placing downward pressure on rates for all customers. Accordingly, the Commission should approve the Company's 2023 IRP Update and the Certification Applications, as modified by the Stipulation.

II. SUMMARY OF THE STIPULATION

The Commission should approve the Company's 2023 IRP Update, as modified by the Stipulation, because it represents a reasonable path to ensuring that Georgia Power can continue to serve its existing and growing customer base with the reliability that customers value and expect, while continuing to support Georgia's growing and thriving economy. The constructive Stipulation accounts for many of the recommendations raised by PIA Staff and multiple Intervenors in this proceeding and resolves most of the contested issues in this case. In addition to providing necessary capacity resources to support the Company's growing customer load and the state's growing economy, the Stipulation provides substantial protections and numerous benefits to all customers.

All parties, including PIA Staff, agree that the historic and unprecedented load forecasted by the Company is in fact coming to the state. Accordingly, the Stipulation approves the Company's load forecast as it was filed. The Stipulating Parties agree that this will not constitute approval of the methodologies used in creating the forecast and shall not be precedent in future proceedings. The Stipulating Parties also agree that the Company shall file quarterly reports that will include information identified in Attachment A of the Stipulation, as well as any other pertinent information about large load economic development activity and any updates, beginning on May 15, 2024, and continuing through the Commission's decision in the Company's 2025 Integrated Resource Plan (the "2025 IRP").

The Stipulation supports the incremental revenue forecast for large load customers presented in the IRP update, as shown in Attachment B to the Stipulation. This incremental revenue forecast will be set as a minimum estimate for the years 2026, 2027, and 2028, and the Stipulating Parties agree that the Company will file its next base rate case in a manner similar to previous rate adjustment requests. These minimum estimates will ensure that the incremental revenue from new large load customers will have downward pressure of at least $2.89 per month for a typical residential customer using an average of 1,000 kWh per month in those years. The Company will file a Cost-of-Service Study as part of its next base rate case. Additional Cost-of Service data will include detail sufficient to show how forecasted costs relating to the new capacity and revenues from the new large load customers at issue in this case will be allocated to customer rate groups.

The Stipulating Parties agree to the certification of the MPC and Santa Rosa PPAs, with several modifications. The Stipulating Parties agree to the exemption of these PPAs from the Commission's Request for Proposal ("RFP") requirements. The Stipulating Parties also agree

to eliminate the regulatory asset deferral treatment for both PPAs originally requested by the Company and that neither PPA will earn an additional sum in 2024 and 2025. Instead, the Company will collect an additional sum at the requested $3/kW-year amount beginning in 2026 and continuing for the remainder of the terms of the PPAs.

Through the Stipulation, Georgia Power agrees to modify its 1,000 MW request related to battery energy storage systems ("BESS"). First, the Stipulating Parties agree that the Company should be authorized to develop, own, and operate up to 500 MW of BESS resources at various sites designed to meet the needs of economic development customer loads through the Winter of 2026/2027. These 500 MW of BESS are exempted from the Commission's RFP process, and the Company shall file for expedited certification of projects. Should the projects not be certified, the Commission will consider whether any incurred project costs not useful or transferable to other future projects shall be deferred to a regulatory asset for future recovery. The Commission will monitor load growth and the Company or PIA Staff may request an adjustment to the amount of capacity needed to ensure that customers' needs can be met in the winter of 2026/2027. Second, as part of the approved 500 MW of Company-owned BESS, the Stipulation approves the BESS projects at Robins and Moody Air Force Bases and exempts them from the Commission's RFP process. The Company agrees to file an expedited certification for these two projects, and the Company further agrees to file semi-annual construction monitoring reports for these projects from the date construction begins through the date of commercial operation. Third, the Company agrees to issue an expedited and narrowly tailored RFP for the remaining 500 MW of BESS sought by the Company, which will have commercial operation dates no later than December 1, 2027, and will follow the procedures laid out in Attachment C of the Stipulation. The Stipulation provides for relevant waivers of

Commission rules to carry out this narrowly tailored RFP. Finally, the Stipulation provides that the Company's request for a 200 MW BESS plus 200 MW solar project should not be approved, and the Company may bid the project in a future RFP.

As provided in the Stipulation, the Plant Yates combustion turbines ("CTs") Units 8-10 ("Yates 8-10") should be approved as part of the 2023 IRP Update. Accordingly, the Commission would proceed with a hearing on the Company's Application for Certification of Yates 8-10 ("Yates Certification Application"). The Stipulating Parties agree that, if the Application is granted, Georgia Power will not seek recovery of any project construction costs that exceed the proposed amount in the Company's Yates Certification Application, absent a showing that such costs are the result of circumstances beyond the Company's reasonable control. However, if the Company seeks recovery of additional project construction costs due to such circumstances, the Company has the burden of proving such costs were the result of circumstances beyond its control and that such costs were reasonable and prudent. If the Yates Certification Application is granted, the Company agrees to file semi-annual construction monitoring reports from the date construction begins through the date of commercial operation.

The Company's proposed Distributed Energy Resource ("DER") Colocation Program, DER Customer Owned Program, and Curtailable Load Program should all be approved as modified by the Stipulation. Further, the Company's request for an amended certificate for its Residential Thermostat Demand Response ("DR") program should be approved, and the Company agrees to evaluate the potential of this program for the upcoming 2025 IRP to determine the optimal participation level to ensure cost-effective demand reductions.

The Stipulation promotes the continued development of renewable energy by ensuring that the Company will evaluate and develop a residential and small commercial solar and battery

pilot program. This pilot program will provide grid reliability and capacity benefits and will be submitted as part of the 2025 IRP. The Stipulating Parties agree that the Company, PIA Staff, and other interested parties will meet twice to collaborate prior to finalizing the pilot program proposal.

The Stipulating Parties agree that the Company's proposed Flex Capacity framework should not be approved. Accordingly, the Company's request to record regulatory assets related to the framework should also not be approved.

The Stipulating Parties agree to approve the transmission projects necessary to accommodate the loads and resource portfolio that are approved by the Commission, including those projects or equivalent solutions identified in the Transmission Supplemental filing. The Company agrees to continue investigating opportunities to use DERs and grid-enhancing technologies ("GETs") to reduce or defer the need for transmission upgrades needed for future load growth or proposed generation additions.

Finally, the Stipulating Parties agree that the Company will investigate additional behind the meter opportunities for DSM, DERs, energy storage systems, and related federal funding opportunities.

III. PROCEDURAL HISTORY AND BACKGROUND

On November 21, 2023, the Commission issued a Procedural and Scheduling Order ("PSO") in this case. The PSO identified several limited issues to be addressed in this proceeding:

1. What is the appropriate load forecast? Georgia Power has projected a significant increase in its peak demand. Georgia Power's new load forecast exceeds the growth projected in the load forecast produced and approved for the 2022 IRP, and the Company expects its winter peak demand in the winter of 2030/2031 to surpass its 2022 IRP projections by 5,900 MW. A significant portion of the increase in peak demand is result of new load

outside the Company's service territory and / or large load customers. The impact of serving these new loads on other customers will need to be examined. To ensure the Commission and public have an accurate estimate of the capacity and demand-side resources needed to maintain reliability of the electric system in Georgia, the Commission shall decide whether to approve Georgia Power's revised load forecast as outlined in the Company's IRP Update filing, or whether to approve alternative forecasts or forecast adjustments recommended by other parties.

2. Should Georgia Power's capacity needs be revised, and, if so, how? Georgia Power estimates peak demand growth will cause its reserve margin to fall below the target approved in the 2022 IRP. The Company estimated a need for additional capacity for the winter of 2025/2026 in the IRP Update. The 2023 IRP Update seeks Commission approval of Georgia Power's revised capacity needs. What are the magnitudes and time periods for which the Company's target peak demand exceeds its ability to meet that demand?

3. Whether the Commission approves Georgia Power's proposed solutions to meet updated capacity needs, or whether alternative solutions should be approved. The 2023 IRP Update provides a plan, proposed by the Company, to maintain [and] ensure reliability through calendar year 2028. The Commission shall determine the preferred portfolio of resources to maintain reliability.

4. Whether the Commission approves Georgia Power's Amended Certificate for the Thermostat Demand Response program.

5. Whether the Commission approves Georgia Power's request to procure supply-side capacity outside of an RFP in accordance with Commission Rule 515-3-4-.04(f), as outlined in the 2023 IRP Update.

6. Whether to approve the Flex Capacity framework requested by the Company.

7. Whether to approve the Company's requests associated with financial, accounting and regulatory asset treatment requests or whether to defer consideration of such requests to the next base rate case.

8. Whether to approve the Company's transmission system expansion to accommodate the above-requested resources and the Company's Load and Energy Forecast.

See PSO at 5–6; *see also* Commission Rule 515-3-4-.06(6) ("Once [an integrated resource] plan has been approved, the Commission may limit the scope of issues it will consider in the review of subsequent plans to those issues directly related to material changes.").

Pursuant to the PSO, the Company filed its direct testimony in support of the IRP Update on December 4, 2023. *See Direct Testimony of the Panel of Jeffrey R. Grubb, Francisco Valle, Lee Evans, and Michael A. Bush*, Docket No. 55378 (December 4, 2024). Also on December 4, the Company filed a supplemental filing that included a summary of results of Georgia Power's 2023 Request for Information ("RFI") for Capacity Resources and additional expansion plan scenarios of the Company's Resource Mix Study ("First Supplemental Filing"). *See 2023 IRP Update Supplemental Filing*, Docket No. 55378 (December 4, 2023). On December 7, the Company filed an errata to its First Supplemental Filing ("First Supplemental Filing Errata"). *See 2023 IRP Update Supplemental Filing Errata*, Docket No. 55378 (December 7, 2023). On January 10, 2024, the Company filed an errata to its 2023 IRP Update Filing, correcting components of the 2023 IRP Update Main Document as well as the Company's direct testimony ("IRP Update Errata"). *See Georgia Power Company's Errata to its 2023 IRP Update Filing*, Docket No. 55378 (January 10, 2024). On January 11, 2024, the Company filed a supplemental filing that detailed tariffs in connection with the proposed DER Colocation, DER Customer Owned, and Curtailable Load programs ("DER Tariff Supplemental Filing"). *See 2023 IRP Update Tariff Filing*, Docket No. 55378 (January 11, 2024). On January 12, 2024, the Company filed a supplemental filing that updated the economic analyses of capacity resources supporting the IRP Update ("Economic Supplemental Filing"). *See 2023 IRP Update Supplemental Filing*, Docket No. 55378 (January 12, 2024).

The Commission held hearings on the Company's Direct Testimony on January 16 and 17, 2024 ("Direct Hearing").

On January 19, 2024, the Company filed a supplemental filing that provided additional details on the Company's Transmission Screening Analyses and confirmed the results of the

prior screening analyses ("Transmission Supplemental Filing"). *See 2023 IRP Update Supplemental Filing*, Docket No. 55378 (January 19, 2024). On January 31, 2024, the Company filed its Yates Certification Application. *See Georgia Power Company's Application for Certification of Plant Yates Units 8–10*, Docket No. 55378 (January 31, 2024).

On February 15, 2024, PIA Staff filed its direct testimony. *See Direct Testimony and Exhibits of Robert L. Trokey, Kathleen A. Kelly, and Karan A. Pol*; *Direct Testimony and Exhibits of Tom Newsome, PE, CFA, Philip Hayet, and Leah Wellborn* (as modified by the errata filed on February 22 and February 23, 2024); *Direct Testimony of John L. Kaduk*; *Direct Testimony and Exhibits of Ralph C. Smith and Benjamin H. Deitchman* (as modified by the errata filed on February 22, 2024); *Direct Testimony of Douglas A. Smith and Katherine Palacios*; and *Direct Testimony and Exhibits of Michael S. Goggin*, Docket No. 55378 (February 15, 2024).

Also on February 15, 2024, twelve intervenor groups filed direct testimony. CEBA filed the direct testimony of Priya Barua and Ronald Lehr. *See Direct Testimony of Priya Barua* and *Direct Testimony of Ronald L. Lehr*, Docket No. 55378 (February 15, 2024). GAM filed the direct testimony of Jeffry Pollock. *See Testimony & Exhibits of Jeffry Pollock*, Docket No. 55378 (February 15, 2024). The Georgia Center for Energy Solutions ("GCES") filed the direct testimony of Peter Hubbard. *See Direct Testimony of Peter Hubbard*, Docket No. 55378 (February 15, 2024). The Georgia Coalition of Local Governments filed the joint direct testimony of Blake Richetta and Andrew Posner. *See Direct Testimony of Blake F. Richetta and Andrew V. Posner*, Docket No. 55378 (February 15, 2024). Georgia Interfaith Power & Light ("GIPL") filed the direct testimony of Chelsea Hotaling. *See Direct Testimony of Chelsea Hotaling*, Docket No. 55378 (February 15, 2024). The Georgia Solar Energy Association

("GSEA") filed the direct testimony of Graham Turk. *See Direct Testimony of Graham Turk*, Docket No. 55378 (February 15, 2024). Georgia Women's Action for New Directions ("GA WAND") filed the direct testimony of Patty Durand. *See Direct Testimony and Exhibits of Patty Durand, MBA*, Docket No. 55378 (February 15, 2024). Sierra Club filed the joint direct testimony of Devi Glick and Lucy Metz. *See Direct Testimony of Devi Glick and Lucy Metz*, Docket No. 55378 (February 15, 2024). Southern Alliance for Clean Energy ("SACE") filed the direct testimony of Anjali Patel. *See Direct Testimony of Anjali G. Patel*, Docket No. 55378 (February 15, 2024). SREA filed the direct testimony of Arne Olson and Jonathon Monken. *See Direct Testimony of Arne Olson* and *Direct Testimony of Jonathon Monken*, Docket No. 55378 (February 15, 2024). The United States Department of Defense and all other Federal Executive Agencies ("DoD/FEA") filed the direct testimony of Christopher Walters and Colin Fitzhenry. *See Direct Testimony and Exhibits of Christopher C. Walters* and *Direct Testimony and Exhibits of Colin T. Fitzhenry*, Docket No. 55378 (February 15, 2024). Walmart, Inc. ("Walmart") filed the direct testimony of Lisa Perry. *See Direct Testimony and Exhibit of Lisa V. Perry*, Docket No. 55378 (February 15, 2024).

The Commission held hearings on the direct testimony of PIA Staff and Intervenors on February 29, 2024 ("Staff/Intervenor Hearing").

On March 18, the Company filed the rebuttal testimony of Aaron P. Abramovitz ("Abramovitz Rebuttal Testimony") as well as the rebuttal testimony of the panel of Jeffrey R. Grubb, Francisco Valle, Lee Evans, Michael B. Robinson, and Michael A. Bush ("Main Panel Rebuttal Testimony"). *See Rebuttal Testimony of Aaron P. Abramovitz* and *Rebuttal Testimony of Jeffrey R. Grubb, Francisco Valle, Lee Evans, Michael B. Robinson, and Michael A. Bush*, Docket No. 55378 (March 18, 2024).

On March 27, 2024, PIA Staff filed a stipulation between Georgia Power and PIA Staff. *See Stipulation Between PIA Staff and Georgia Power Company*, Docket No. 55378 (March 27, 2024). On the same day, the Company filed an updated version of this stipulation reflecting the addition of GAM (the "Stipulation"). *See Stipulation Including the Georgia Association of Manufacturers*, Docket No. 55378 (March 27, 2024). The Commission held hearings on the Company's rebuttal testimony and the Stipulation on March 27, 2024 ("Rebuttal Hearing").

On April 1, 2024, Microsoft Corporation ("Microsoft") filed Comments on the Company's IRP Update ("Microsoft Comments"). *See Microsoft Comments on Georgia Power's 2023 Integrated Resource Plan Update*, Docket No. 55378 (April 1, 2024). Finally, on April 4, 2024, Georgia Power filed an updated version of the Stipulation reflecting the addition of APA, CEBA, Georgia Watch, MARTA, SREA, and Walmart Inc. as signatories to the Stipulation.

IV. STANDARD OF REVIEW

"The Commission shall determine which combinations of resource options. . . best serve the public interest considering economics, safety, reliability, flexibility, risk, equity among ratepayers and classes, customer bills, externalities, and other factors the Commission deems appropriate." Commission Rule 515-3-4-.05(4).

V. ARGUMENT

A. The Stipulation should be adopted as a resolution to all issues in this proceeding.

The Stipulation considers nearly every issue raised in this proceeding. As with any settlement, no single party to the Stipulation received everything it advocated for or requested.

Nevertheless, the Stipulating Parties worked hard to look beyond single issues and reach an agreement that is focused on the overall benefit for Georgia Power's customers that also supports continued economic growth for our state. The Stipulation is a fair resolution of the Company's 2023 IRP Update that strikes a reasonable balance among the various complex, technical issues in this proceeding. The Company's 2023 IRP Update, as amended by the Stipulation, should be approved by the Commission.

Resolution of contested Commission proceedings through a stipulated agreement is a well-established practice. In fact, the PSO specifically contemplates that PIA Staff "may negotiate settlements with other parties, in the public interest." (PSO at 2.) The Company and PIA Staff have been available to all Intervenors to discuss potential settlement throughout the proceeding, and the Company engaged with many of the Intervenors concerning potential settlement positions. In addition, all parties had an opportunity to cross examine Company witnesses during each phase of the hearings, and specifically about the Stipulation during the Company's rebuttal hearing. Further, each party is entitled to file briefs and proposed orders setting forth their respective positions. Accordingly, the record in this case supports the Stipulation, as executed by the Stipulating Parties. Importantly, the Stipulation is a well-reasoned and balanced resolution of the Company's 2023 IRP Update that will provide significant benefits to Georgia Power's customers. These benefits include customer protections, the assurance of downward pressure on customer rates, and the continued resiliency and reliability of the Company's electric system ("System"), all while supporting the economic growth of Georgia. Therefore, the Stipulation should be approved by this Commission, as adopted by the Stipulating Parties.

1. The Commission should approve the Company's load forecast as filed and agreed to in the Stipulation.

The Commission should have confidence in the Company's load forecast and should approve the forecast as filed and agreed to in the Stipulation. The Company's forecast is based on a statistically sound methodology, is informed by the latest economic trends, and uses proven methods to evaluate the probability, level, and timing in which the projected load will materialize. Substantial empirical evidence shows that the load projected by the Company is indeed coming to Georgia. There is a large economic development pipeline made up of businesses seeking to locate in Georgia, and the Company has continued to see progress from large load customers included in its forecast, as well as accelerated customer load ramps and other tangible evidence of growth. The Company provided robust and sufficient data to support the accuracy of its load forecast, allowing PIA Staff and the Commission to determine the adequacy of the load forecast in this case. Moreover, no party in this proceeding challenged the underlying methodology supporting the Company's base forecast or the methodology underlying the Company's Load Realization Model. Certain Intervenors propose using different load values to plan generation resources and criticize the Company's load forecast, but as the Company has demonstrated, these critiques present an unacceptable planning risk or are already accounted for and should be denied or rejected. Next, any concerns regarding the Company's load forecast can be mitigated by the various levers at the Company's and the Commission's disposal. Finally, the Company has agreed to file quarterly reports on large load economic development activity, which will keep this Commission apprised of any progress or changes in economic development activity.

a) Substantial empirical evidence proves that unprecedented load growth is coming to Georgia.

There are at least three factors that demonstrate the increasing number of large load customers and corresponding load growth that are coming to Georgia. First, the number of committed Georgia Power customers continues to increase. As of the 2023 IRP Update filing, the Company had already been chosen to serve over 3,600 MW of load from the approximately 17,000 MW pipeline of economic development—nearly 3,000 MW of which is already under construction. (Rebuttal Hearing Tr. 2031.) Since the 2023 IRP Update filing in October of 2023, the economic development pipeline has grown from 17,000 MW to 21,000 MW, and Georgia Power has been selected to serve an additional 2,602 MW. (*Id.*) The customers represented by this 2,602 MW were already included in the load forecast. By signing a request for electric service with Georgia Power, these customers have affirmed their commitments to take electric service from the Company. The risk around this potential load materializing continues to decrease, as it is now committed load that Georgia Power must plan to serve. (*See id.* at 2033.)

Second, the large load customers included in the Company's forecast are moving forward and making progress without material delay. (*Id.* at 2032.) Of the 51 large load customer projects included in the external adjustment to the Company's 2023 IRP Update Load Forecast, 32 projects, accounting for almost 10,500 MW, have already chosen to do business in Georgia and 14 of those projects have signed requests for electric service and selected Georgia Power as their electric service provider. These customers have taken concrete actions evidencing their commitment to do business in Georgia, such as purchasing or leasing property. Of the original 14 committed customers at the time of filing, nine have broken ground, four are pending construction, and only one 66 MW project has been delayed. (*Id.*) Since the initial filing, an additional 11 projects have signed requests for electric service and selected Georgia Power as their electric service provider.

Third, three committed customers representing 2,173 MW have accelerated their load ramps to incorporate their entire load five years earlier than previously requested. (*Id.* at 2024.) In certain years, such as 2028 and 2029, this acceleration would result in approximately 800 MW of more load than was assumed for the 2023 IRP Update Load Forecast. This demonstrates the potential for substantial load to materialize at a faster pace than projected.

As evidenced by the Company's current 6,214 MW load from committed customers, Georgia Power anticipates that these and other projects will continue to advance through the various stages of economic development and ultimately materialize. (*Id.* at 2033.) As such, the Company's forecast provides the most realistic depiction of large load growth in Georgia. Given the continued increase, progress, and pace of committed customer load, the Commission should have an extremely high degree of confidence in the forecast and should approve the Company's load forecast as filed and agreed to in the Stipulation.

b) <u>The Company provided robust and sufficient data to support the accuracy of its load forecast.</u>

The Company complied with the Commission's Rules regarding the contents and validity of a load forecast. As acknowledged by PIA Staff (*see* Staff/Intervenor Hearing Tr. 244) and the Commission's PSO in this docket, the Company's IRP Update is of a limited scope. Commission Rule 515-3-4-.06(6) provides that the Commission may limit the scope of issues it will consider in the review of subsequent plans (e.g., the IRP Update) to those issues directly related to material changes. In accordance with this rule and the material change necessitating the filing of the 2023 IRP Update—extraordinary economic development and large load customer growth—the Company appropriately focused on the Load Realization Model and forecast adjustments supporting the substantial new large loads coming to the state.

Although the Company would typically provide a high and low load growth sensitivity to the load forecast supporting the triennial IRP, the Load Realization Model, which was used to adjust the forecast in this case for the new large load customer growth, appropriately evaluated a range of outcomes and possible futures within the context of the changed circumstances the IRP Update was intended to address. The Company ran multiple load forecast sensitivities in the months leading up to the IRP Update filing, each of which was provided to PIA Staff in response to data request STF-DEA-1-4. The Company analyzed different sensitivities, chose the most reasonable load forecast to plan to, and proposed a portfolio of resource solutions to meet the need. The presentation of a singular forecast as part of an IRP amendment process is not a failure to meet Commission Rules, which are directed at the requirements for a triennial IRP filing. To the contrary, the singular forecast as a part of this IRP amendment process was needed to identify a specific and deployable plan for resources to meet capacity needs and certainly did not prevent any party from proposing an alternative forecast.

The Company filed the load forecast and supporting information that is relevant and directly related to the material change in assumed load over the Company's planning horizon. As part of its initial filing, the Company provided short-term, long-term, peak, and load realization models; workpapers including weather data, forecast inputs, short-term model outputs, and Peak Demand aggregate and Territorial files that contain final output information on peak and energy forecasts; and data supporting all charts and tables included in the filing. The models shared with PIA Staff provided more information than would normally be included in a static IRP technical appendix; these models can also be tested and used to develop PIA Staff's own comparable models.

Further, the underlying base forecast, which captures organic growth on the System, was compiled using the same methodologies, models, and techniques as used in prior IRPs and as

accurately described in the Load Forecast Technical Appendix to the 2022 IRP. In relying on the same methodology used previously, it was not necessary to re-submit Sections 4 through 6 of the Technical Appendix of the 2022 IRP. The Company also provided alternate levels of expected growth as part of its resource mix study. A description of all load forecast determinants was provided in response to data request STF-JKA-2-10. The impact of self-generation and cogeneration is included in the Load Forecast Technical Appendix of the 2022 IRP, and the transparency of the Company's forecasting tools are consistent with each load forecast filed and approved in every IRP since 2001. The Company provided more than sufficient supporting information for the Commission to have confidence in the data, information, methodology, and rigor of analysis used in preparing the Company's 2023 Load Forecast. Accordingly, the forecast should be approved as a just and reasonable estimation of anticipated load growth.

c) No party reasonably challenged the methodology supporting the Company's base forecast or the methodology underlying the Load Realization Model.

PIA Staff and the Intervenors submitting testimony on this issue accepted the validity of the Company's organic load forecast and the statistically sound methodology used to account for the growth in new large load customers. (*See, e.g.*, Staff/Intervenor Hearing Tr. 89, 1266.) Regarding the Load Realization Model, PIA Staff agrees that the Company's methodology is appropriate and GIPL agrees that a new methodology was needed to account for this growth. (*Id.*) The Company's forecasting methodology for large loads accounts for numerous types of uncertainty, including the potential that load will not materialize, will be delayed, or will materialize at a lower level than expected. Moreover, the Company's forecast for large loads is based on the most recent economic trends, includes projects that have already selected Georgia Power as their electric service provider, and incorporates direct input from customers about growth

in our state. In sum, the Company's forecast provides the most realistic depiction of large load growth in Georgia, is appropriately risk-adjusted, and is based on statistically sound methodology.

Microsoft requested in its comments that the Company "provide greater transparency to stakeholders regarding its large load forecasting methodology and the underlying data used to support it." (Microsoft Comments 6.) However, as described in Section (1)(b) herein, the Company made the Load Realization Model and the data used to support it and the base forecast available for all parties who expressed an interest in it. Numerous other parties in this docket, including PIA Staff, were able to review and analyze the Company's Load Realization Model and underlying data, and this same data was available for Microsoft's review. Unfortunately, prior to filing its comments, Microsoft did not engage with the Company to better understand its forecasting methodologies. For the reasons set forth above, the Company's 2023 IRP Update Load Forecast, Load Realization Model, and supporting data is sufficiently transparent, was made available to interested parties, and adequately supports the Company's request in this case.

d) GIPL's proposal to use a P50 load value would jeopardize reliability in Georgia and should be rejected.

Georgia Power's load forecast appropriately plans to a P95 load value. Contrary to GIPL's recommendations, planning generation resources to the P50 load value presents unacceptable reliability risk in serving both existing customer loads and the significant large customer loads coming to the state. Under different circumstances, planning to P50 could help support slow and steady load growth. But the rapid and extraordinary load growth being experienced in Georgia is not slow and steady and cannot be addressed with a P50 load value. Planning generation resources to P50 necessarily means that the Company would not have sufficient resources to meet customer

needs in half of the potential planning scenarios for new large load customers and would thus not be able to support the projected economic development load coming to Georgia.

Notably, GIPL used the Company's large load forecast methodology and assumptions but proposed using a P50 level load value instead of the P95 load value used by the Company. (Staff/Intervenor Hearing Tr. 1265.) GIPL asserted that the P50 value is, statistically speaking, the most likely outcome and should, therefore, be used in lieu of the P95 value. (*Id.* at 1271.) The Company agrees that P50 represents the median outcome, meaning that it equally splits the possible outcomes in half. However, as stated by Witness Valle at the rebuttal hearing, planning to a P50 load value is equivalent to a flip of a coin—where there is a fifty/fifty chance that loads will materialize higher or lower than assumed. (Rebuttal Hearing Tr. 2178.) Simply put, if Georgia Power were to plan its System using the P50 value, that would mean there is a 50% chance that it would have too few resources to meet large load customer needs and would not be able to reliably support new economic load growth. The difference in load at the P50 and P95 load levels is approximately 1,700 MW, representing a substantial difference in load that Georgia Power must be able to serve.[1] Georgia Power's customers expect the Company to be able to serve them, and gambling with whether the Company can meet customers' energy needs is not prudent resource planning. Planning to the P95 load level recommended by the Company, agreed to by PIA Staff in its testimony, and as agreed to in the Stipulation, provides greater confidence that the Company will have the resources needed to serve Georgia as it continues to grow.

Further, the load forecast is a static snapshot in time that does not capture the fact that additional load growth is taking place. (Staff/Intervenor Hearing Tr. 1312.) For each new large

[1] Note that, at the rebuttal hearing on March 27, 2024, Georgia Power Witness Valle incorrectly stated that the difference in load at the P50 and P95 levels was approximately 2,500 MW. (Rebuttal Hearing Tr. 2166.) The actual difference is approximately 1,700 MW.

load customer that comes onto the System, the load level previously planned for becomes less representative of the higher needs the Company must serve. (*Id.* at 1312–1313.) Thus, as customer load continues to grow, it is even riskier to plan according to the P50 load level than the P95 load level. As previously explained, the large load customer volume Georgia Power must serve only continues to increase. Planning to the P95 load level is necessary to ensure the Company has sufficient resources to reliably serve the growing customer demand for energy. Accordingly, GIPL's recommendation to plan to the P50 load level should be rejected.

e) The Commission should afford no weight to Microsoft's criticisms of the Company's forecasting methodology.

Microsoft makes several uninformed recommendations regarding the Company's load forecast, and these recommendations should be afforded no weight by the Commission. First, Microsoft suggests that "GPC should analyze the different commitment levels" from known and potential large load customers and assign standardized and decreasing discount levels to each stage of commitment, reflecting the likelihood that such large loads will in fact appear. (Microsoft Comments 5–6.) However, the Company already considers various levels of customer commitment in its analysis. The Company is well aware of the natural progression of projects in the economic development pipeline, from the state selection phase up until contracts for electric service are finalized. The Load Realization Model provides a risk adjustment for each project in the pipeline specifically to account for the level of individual project commitments, delays, and materialization. (*See* Direct Hearing Tr. 118–19.) Failure to account for each project in the pipeline would underestimate the generation needed to serve customers, resulting in inadequate resource planning and a lack of sufficient resources. In summary, Microsoft's recommendation related to commitment levels is already accounted for in detail as part of the Company's methodology.

Next, Microsoft suggests that near-term resource requirements should only be based on known, mature projects "that have made firm commitments to GPC versus load that has yet to select GPC or the State of Georgia" to avoid the risk of over procurement. (Microsoft Comments 6.) This approach is untenable not just for the Company or the state of Georgia, but for Microsoft itself. If Microsoft's load forecast criteria were adopted, it would exclude Microsoft's own projects under development from inclusion in the Company's forecast and would result in insufficient resources to serve those projects. In short, this suggestion would be detrimental to Microsoft's own interests. The Company has appropriately considered project uncertainties and varying stages of customer commitment within its forecast. (*See* Direct Hearing Tr. 118–19.) As such, Microsoft's proposed load forecast limitations should be rejected.

f) <u>The Company and this Commission have numerous methods available to mitigate any potential risks associated with adopting the Company's proposed load forecast.</u>

Approving the Company's load forecasts and corresponding requests in this case will enable the Company to continue to reliably serve its growing customer load and support Georgia's economic growth. Intervenors have cautioned that if the projected load materializes at a level lower than forecasted, the Company will more likely than not have overbuilt its System and left customers to cover the cost of resources the Company does not need. (*See, e.g.,* Staff/Intervenor Hearing Tr. 1276, 1313.) As noted previously, the Company is confident that load will develop as it has projected. However, even if load were to materialize slower than projected, the Company and the Commission can mitigate this risk. For example, the Company can sell capacity on the wholesale market, especially given the extraordinary need for additional dispatchable capacity resources across the country, particularly on neighboring systems. (*See* Rebuttal Hearing Tr. 1947.) The Company can also slow down, reduce, or halt generation development by modifying

the development timeline of approved resources or the target procurement amount from approved RFPs. (*Id.*) For example, the Company can (1) reduce the amount of BESS it develops based on the unidentified balance of BESS MW in this case, and (2) reduce the target capacity (MW) to be procured in one or more future RFPs, including the All-Source RFP. (*See id.*) Thus, the Company and Commission have several options at their disposal to appropriately manage and mitigate the risk of load materializing at a level less than projected. Accordingly, any risk associated with the Company's load forecast should not prevent the Commission from approving the forecast, and the forecast should be adopted to ensure there are sufficient resources to serve the load growth projected in Georgia.

g) <u>The Company will file quarterly reports to keep the Commission informed about the continued large load economic development activity during this period of extraordinary economic growth.</u>

As part of the Stipulation, the Company has agreed to file quarterly reports to keep the Commission informed of large load economic development activity during this period of extraordinary growth. (Stipulation Para. 2.) The Company has agreed to track and report the following information within its Load Realization Model: (1) customer or project name; (2) project address; (3) location of the project as inside or outside the Company's service territory; (4) announced load (MW); (5) project load ramp, including load and timing; (6) project status (including updates to announced load, load ramp, project stage, and initial service date); and (7) reason for project loss, if known. (*See* Stipulation Attachment A.) Georgia Power has agreed to file the first quarterly report on May 15, 2024, and each quarter thereafter through the conclusion of the 2025 IRP. (Stipulation Para. 2.) By keeping the Commission apprised of these developments, both the Commission and the Company can remain proactive regarding future load growth. This provision of the Stipulation should be adopted.

2. The Company's incremental revenue forecast should be approved, as modified by the Stipulation.

As part of the Stipulation, the incremental revenue forecast associated with Georgia's extraordinary economic growth, shown in the 2023 IRP Update and in Figure 1 of the Abramovitz Rebuttal Testimony, will be set as a minimum estimate for years 2026, 2027, and 2028 in the Company's 2025 Base Rate Case. (Stipulation Para. 2.) This provision provides significant benefits for customers, as it will ensure that, as part of that next rate case filing, the incremental revenue from new large load customers will have downward pressure on rates of at least $2.89 for the typical residential customer using an average of 1,000 kWh per month. (*See* Rebuttal Hearing Tr. 1957.) Additionally, the Stipulating Parties agree that the Company will file a Cost-of-Service Study as part of the next Base Rate Case, and additional data will include sufficient detail to show how the forecasted costs relating to the new capacity and the forecasted revenues from prospective new customers in this case will be allocated to various customer rate groups. (Stipulation Para. 2.)

This provision of the Stipulation provides for significant customer protections and represents a reasoned and balanced approach of the approval of capacity resources and incremental revenue forecasts. By setting the incremental revenue forecast from large load customers as a floor, the risk to customers that large load will not materialize at the rate projected is mitigated by ensuring that customers will see downward pressure on rates in the next base rate case from the incremental revenues from large load customers. In fact, as highlighted by witness Abramovitz, this amount of downward pressure can be viewed as a floor—downward pressure could be even greater if incremental large load customer revenues increase in the future. (*See* Rebuttal Hearing Tr. 1973.) And by filing additional Cost-of-Service data, the Commission, Intervenors, and all relevant stakeholders will receive additional information related to cost allocation in the next rate case. This provision of the Stipulation should be approved without modification.

3. The Company's PPA requests should be approved, as modified by the Stipulation.

The PPAs with MPC and Santa Rosa are critical to addressing Georgia Power's near-term capacity needs, and the Stipulation on these points should be approved by the Commission. These PPAs will ensure the Company remains well-positioned to fulfill its commitment to providing reliable, affordable energy to its customers.

The Company executed PPAs to procure nearly 1,000 MW of capacity and energy from MPC and Santa Rosa, at 750 MW and 230 MW, respectively. (Direct Hearing Tr. 77, 87–89; Rebuttal Hearing Tr. 2024.) Together, these PPAs are a dependable and economically viable energy source, are crucial for bridging the imminent capacity shortfall, and align with the Company's long-term planning objectives. By securing capacity through the MPC agreement, the Company provides for the availability of 750 MW of capacity resources from a party within the Southern Company pool and avoids a reduction in generation resources made available to the pool. Ultimately, this agreement ensures that these resources remain available to serve Georgia Power customers. (Direct Hearing Tr. 88; Rebuttal Hearing Tr. 2055.) The Santa Rosa PPA obtains necessary energy and capacity from an existing, operationally proven facility, delivering up to 230 MW of capacity without the need for additional transmission infrastructure investments. (Direct Hearing Tr. 89.) Both PPAs allow Georgia Power to leverage existing, available capacity resources to meet the near-term need for capacity and future load growth through 2028.

Some Intervenors suggested rejecting the PPAs and criticize the Company for not procuring the necessary capacity through competitive bidding. (*See* Staff/Intervenor Hearing Tr. 1418–21.) Rejecting the PPAs would not be in the best interests of customers. The RFI issued on September 26, 2023, highlighted the stark scarcity of existing resources in the wholesale market, underscoring the inability to address the Company's capacity needs through traditional

procurement methods under the current circumstances. (Direct Hearing Tr. 78.) Intervenors challenging the Company's request for a waiver of the Commission's RFP requirements fail to acknowledge there are no other viable capacity resources in the market to meet Company's immediate capacity needs. They also fail to consider the impracticality of conducting an RFP for new-build resources within the timeframe needed to address these capacity needs. (Direct Hearing Tr. 78; Rebuttal Hearing Tr. 2044.) As such, adopting these recommendations would jeopardize the Company's ability to reliably serve its customers and should be rejected.

Approval of the PPAs, as provided for under the Stipulation, is essential for Georgia Power to meet its near-term capacity needs. The Stipulation balances the Company's needs for flexibility and expedience in resource procurement with the economic well-being of customers while ensuring reliable capacity for the System. (*See* Rebuttal Hearing Tr. 1956–59, 2073–74, 2082.) The PPAs offer a direct path to securing the necessary capacity to support the state's economic growth and ensure the reliability of electricity supply to meet the state's needs through the winter of 2028. The waiver of the conventional RFP requirements is necessary to secure these essential capacity resources in a timely manner, providing an operational benefit to the Company in the face of immediate and escalating customer demand. At the same time, the elimination of the deferral and adjustment of the additional sum for 2024 and 2025 reflects a conscientious effort by all parties to alleviate the financial impact on customers. This dual approach ensures customer protections while providing the benefits of expedited procurement of vital resources. (*Id.* at 2082.) Approving the Stipulation's modifications will affirm the Commission's support for strategic energy resource procurement and management and will ensure Georgia Power remains capable of fulfilling its commitment to its customers and the state. (*Id.* at 2073–74.)

4. The Stipulation's provisions regarding BESS projects should be approved without modification.

The Stipulation amends the Company's initial proposal to own 1,000 MW of BESS resources by allowing the Company to develop, own, and operate up to 500 MW of BESS resources to help meet the needs of economic development customers in the winter of 2026/2027, while reserving the remaining 500 MW of BESS resources for competitive procurement under an expedited, narrowly tailored RFP for projects with commercial operation dates no later than December 1, 2027. (Stipulation Paras. 7 and 9.) To carry out this expedited RFP, the Stipulation provides for a waiver of relevant Commission Rules upon the Commission's approval of the Stipulation. (*Id.* at Para. 10.) This separate group of 500 MW of BESS must follow the solicitation, product requirements, regulatory accommodations, and schedule found in Attachment C of the Stipulation. (*Id.* at Para. 9.)

The Stipulation also approves the Company's request for BESS projects at Robins and Moody Air Force Bases. (*Id.* at Para. 8.) The capacity of these two projects is included in the 500 MW of Company-owned BESS, and is subject to the same exemption, certification, and reporting requirements as other projects in that group of BESS resources. (*See id.*) Finally, the Stipulation provides that Georgia Power's specific proposal for the 200 MW BESS plus 200 MW solar project should not be approved at this time, but the project may be bid in a future RFP. (*Id.* at Para. 11.)

The BESS provisions of the Stipulation provide a reasonable compromise that ensures 1,000 MW of BESS can be procured to meet the Company's capacity needs, with a balanced mix between resources that are developed, owned, and operated by the Company, and resources that are procured through a competitive RFP. (Stipulation, Paras. 8 and 9.) By providing for both Company ownership and competitive procurement of BESS projects, the Stipulation allows customers to receive the benefits of both avenues of BESS development and allows the

Commission to directly compare relevant options from either. (*See* Rebuttal Tr. 2084–85.) For example, the approval of 500 MW of Company-owned BESS resources allows for BESS resources to be developed and deployed more quickly, which is critical for meeting reliability needs in the Winter of 2026/2027. In addition, the BESS resources that are procured through a competitive RFP can be paired with existing solar sites, which reduces the need for transmission construction or upgrades. (*See id.* at 2083–84.) The Stipulation's provision for the procurement of up to 500 MW of BESS through a narrowly tailored RFP aligns with the positions advocated by multiple parties, who sought to increase the amount of competitively procured BESS resources. (*See* Staff/Intervenor Hearing Tr. 70–71, 362–63, 416, 859, 861, 870–72, 1288.) In summary, the BESS provisions of the Stipulation are reasonable, in the best interests of customers, and should be approved.

5. The Yates 8-10 CTs should be approved, as provided by the Stipulation.

The Commission should approve the Company's proposal to construct three advanced, dual-fuel CTs at Plant Yates. Plant Yates Units 8-10 are critical components of the 2023 IRP Update and will serve as reliable and economical peaking resources. (Direct Hearing Tr. 93–95; Rebuttal Hearing Tr. 2056, 2079.) By locating the CTs at Plant Yates, the Company can leverage current infrastructure and operational efficiencies to provide an optimal solution that meets immediate capacity needs while ensuring System reliability and resilience against evolving energy demands. (Direct Hearing Tr. 93, 338; Rebuttal Hearing Tr. 2056.) This approach also avoids costs and other issues related to the development of a greenfield site. (Direct Hearing Tr. 93; Rebuttal Hearing Tr. 2056.)

These advanced design CTs will provide a combined total of approximately 1,300 MW of capacity and associated energy when operating on natural gas. (Yates Certification Application 2.)

If natural gas is unavailable during any given time, the units can run on ultra-low sulfur diesel fuel and provide approximately 1,070 MW of capacity and associated energy. (*Id.*) On-site oil storage capabilities provide reliability and resiliency benefits to the System. (Direct Hearing Tr. 86–87, 93.) Yates 8-10 will be the most efficient CTs on the Southern Company System and are strategically located to support anticipated load growth. (Rebuttal Hearing Tr. 2079.) While the total *firm* capacity contribution of the proposed CTs will be limited for planning purposes to 600 MW until transmission improvements are completed in the summer of 2028 (Direct Hearing Tr. 93, 229), such transmission upgrades are also being approved as part of this Stipulation. (*See* discussion *infra* Section A.8; Rebuttal Hearing Tr. 2064–65.) Further, the transmission upgrades required to unlock the full-designated capacity of Yates 8-10 only impact power delivery in peak demand periods under certain limited transmission contingencies. (Rebuttal Hearing Tr. 2081, 2105.) For most hours throughout the year, the new Yates CTs will be available to serve load up to the full designated capacity as soon as they come online. (*Id.* at 2065, 2081.) The integration of Yates 8–10 maintains the diversity of the Company's portfolio of dispatchable resources, which are critical to maintaining a reliable and resilient electric System for all customers at all times. (Direct Hearing Tr. 84, 94, 137–38; Rebuttal Hearing Tr. 2058–59.)

Intervenors' concerns regarding Yates 8–10 and their recommendations fail to capture the complexity of operations and resource planning, the technological and economic considerations involved in the Plant Yates proposal, or the overarching need to ensure reliable, efficient, and sustainable energy for Georgia's residents and businesses. Similarly, the criticisms of Georgia Power's planning and forecasting processes overlook its strategic and prudent approach to resource planning. Claims that the Plant Yates project costs and risks have not been fully evaluated are unfounded and fail to acknowledge the extensive analysis and planning already undertaken by

Georgia Power and the amount of detail provided to the Commission. (*See, e.g.,* IRP Update Technical Appendix, *Economic Analysis of Capacity Resources* and *Technical Information Supporting the Proposal to Develop up to 1,400 MW from Three Simple Cycle Combustion Turbines at Plant Yates*; Docket No. 55378 (Oct. 27, 2023); Economic Supplemental Filing, *Updated Economic Analysis*, Docket No. 55378 (Jan. 12, 2024); Supplemental Data Request Response for STF-JKA-2-19, Docket No. 55378 (Jan. 12, 2024); Yates Certification Application, Docket No. 55378 (Jan. 31, 2024); and related workpapers.)

Importantly, the Stipulation includes robust customer protections from potential rate impacts due to potential project cost overruns. (Stipulation Para. 12.) The Stipulating Parties agree that, limited to this case, the Company will not seek recovery of construction costs exceeding the proposed budget as outlined in the Yates Certification Application, except for costs incurred under circumstances beyond its reasonable control. (*Id.*) These cost protections and monitoring practices mitigate risks associated with construction delays, fuel supply, and transmission constraints, ensuring transparency and accountability throughout the project's development. (*Id.*; Rebuttal Hearing Tr. 1958, 2120–21.)

Finally, calls for a competitive procurement process overlook the specific circumstances and urgent capacity needs identified in the Company's request. (Rebuttal Hearing Tr. 2043–44, 2077–78.) The competitive process, although beneficial under certain conditions, is time-consuming and does not align with the rapid deployment necessary to meet near-term capacity needs. (Direct Hearing Tr. 76; Rebuttal Hearing Tr. 2043–44, 2077–78.) The Yates 8–10 project is necessary to address the capacity needs identified in the Company's 2023 IRP Update, and will ensure the Company is able to continue providing the reliable electric service customers require, while maintaining focus on fiscal responsibility and customer protection.

6. The Company's DER, Curtailable Load, and amended Residential Thermostat DR programs should be approved, as modified by the Stipulation.

The Company has proposed two new DER customer programs (the DER Colocation and DER Customer-owned programs), a Curtailable Load DR program, and an expansion of its Residential Thermostat DR program. (Direct Hearing Tr. 121.) If approved, these programs will provide numerous benefits to customers.

Under the DER Colocation Program, participating customers will continue to receive electricity during local electric service outages, thereby increasing their resiliency. (*Id.* at 97.) Non-participating customers will benefit from System capacity resources that are procured below the value received by these customers. (*Id.*) Under the DER Customer-owned Program, the Company will operate and control customer-owned DER to economically dispatch these resources, thus providing capacity benefits to all customers. (Stipulation Para. 14; Stipulation Attachment E.) During times of electric service outage, the DER will continue to provide participating customers with electric energy, providing them with resiliency. (Direct Hearing Tr. 98.) As with the DER Colocation Program, customers not participating in the DER Customer-owned Program will also benefit from capacity resources that are procured below the System value. (*Id.* at 99.)

The Curtailable Load Program offers additional DR participation options to commercial and industrial customers and provides corresponding System capacity and reliability benefits to all other customers by reducing energy consumption during periods of extreme System need. (*Id.* at 101.) Customers participating in this program will receive lower electric bills and non-participating customers will receive the savings of deferred generation capacity infrastructure. (*Id.* at 102.) In accordance with the Stipulation, Georgia Power agrees to work with GAM to develop the specific language of the tariffs related to these programs to address Georgia Power's capacity needs while

continuing to deliver clean, safe, reliable, and affordable service to customers. (*See* Rebuttal Hearing Tr. 1933–34; Stipulation Paras. 20, 21.)

The Commission should also approve the Company's request for an amended certificate for the Residential Thermostat DR Program. Expanding the program to 50,000 customers, as requested by the Company, will provide needed capacity value. (*See* Rebuttal Hearing Tr. 2194–95.) No party challenged this expansion, and most, if not all, were supportive of it. (*See, e.g.*, Staff/Intervenor Hearing Tr. 358–59, 373, 423, 1104.) The Company believes that there is further residential load flexibility potential in the Residential Thermostat DR Program, and will continue to evaluate this program's potential for the 2025 IRP. The Commission should approve all three of these programs, as provided in the Stipulation, in light of their substantial benefits to customers.

7. <u>The Company's evaluation and development of a residential and small commercial solar and battery pilot program will benefit customers and should be approved.</u>

The Stipulation provides for the development of a residential and small commercial solar and battery pilot program to provide benefits for customers. (Stipulation Para. 17.) This program would be included in the 2025 IRP, and the Company will collaborate with Staff and other interested parties prior to finalizing its proposal, demonstrating a productive step in the continued development of sustainable energy solutions. (Stipulation Para. 17; Rebuttal Hearing Tr. 2010, 2269.) Development of a customer-sited solar and battery program aligns with customer-focused renewable initiatives already underway and provides the opportunity to expand access to renewable energy and battery storage projects that can deliver economic benefits across customer classes. This pilot program presents an opportunity to recognize several potential benefits and should be approved by the Commission.

8. The transmission projects necessary to accommodate the Company's requests should be approved, as agreed to in the Stipulation.

To accommodate the loads and resource portfolio in the 2023 IRP Update as set forth in the Stipulation, the Stipulating Parties recommend Commission approval of the proposed transmission projects identified in the Company's 2023 IRP Update Transmission Supplemental Filing. (Stipulation, Para. 19.) These transmission improvements are an extension of the proposed resources and are required to bring new generation to the System. (Direct Hearing Tr. 107.) The Company assessed and confirmed the necessity of the proposed transmission projects in the 2023 IRP Update. Importantly, the preliminary transmission screening analysis included in the Technical Appendix, the Transmission Supplemental Filing, and the Unit Designation Study for the Yates CTs all validated the necessity of the requested upgrades. (Rebuttal Hearing Tr. 2065; Yates Certification Application, Docket No. 55378 (Jan. 31, 2024); Transmission Supplemental Filing, Docket No. 55378 (January 19, 2024).)

The Intervenors' proposed transmission solutions disregard the Company's well-established transmission planning process, which this Commission has previously approved, and ignore the timeframe within which the Company must complete the requested transmission upgrades and the relatively low cost of the proposed projects. The transmission solutions presented in the Company's Supplemental Transmission Filing and agreed to by the Stipulating Parties will deliver reliable power from facilities that are sited, financed, and able to interconnect to the System. (Rebuttal Hearing Tr. 2070, 2259–60.) The transmission solutions identified in the Company's Transmission Supplemental Filing will allow the Company to access its generation resources around-the-clock, providing the power needed to serve its customers. (Direct Hearing Tr. 257; Rebuttal Hearing Tr. 2240.) Accordingly, the Commission should approve the Stipulation's provisions regarding transmission.

9. The Company's continued investigation into DERs and GETs will identify potential opportunities to reduce or defer the need for future transmission upgrades.

As provided in the Stipulation, Georgia Power will continue to investigate opportunities to use DERs and GETs to reduce or defer the need for transmission upgrades needed to accommodate future load growth and proposed generation additions. (Stipulation Para. 20.) The Company already considers many of these options in its 10-year Transmission Planning Process, but will continue to investigate opportunities to deploy these technologies to mitigate transmission upgrades. (*See* Rebuttal Hearing Tr. 2067.)

10. The Company's continued investigation into behind the meter opportunities for DSM, DER, and energy storage systems, and related federal funding opportunities will benefit customers.

The Stipulation provides that the Company will investigate additional behind the meter opportunities for DSM, DERs, energy storage systems, and related funding opportunities under the Inflation Reduction Act and the Title 17 Energy Infrastructure Clean Energy Financing Program. (Stipulation Para. 21.) The Company already investigates these opportunities, and the inclusion of this provision in the Stipulation reiterates the Company's commitment to considering them as part of the 2025 IRP. (*See* Rebuttal Hearing Tr. 1967.) Accordingly, the Commission should approve this provision of the Stipulation as a continuation of the investigation and evaluation that the Company already performs.

B. The Company's 26% target reserve margin should be maintained, and Intervenor recommendations to reduce it should be rejected.

As part of the 2022 IRP, the Commission approved, and the Company adopted a 26% winter target reserve margin ("TRM") for planning purposes. (*See Order Adopting Stipulation* 20, para. 16, Docket Nos. 44160 and 44161 (Jul. 29, 2022).) The TRM adopted by the Company is a

"balance of economics and reliability." (Rebuttal Hearing Tr. 1991.) A 26% TRM is vital to ensuring System reliability during extreme weather events (*Id.* at 2078.) and results in an expected loss of load event ("LOLE") once every 18 years. (*Id.* at 2168.) This 26% winter TRM is appropriate and should be maintained by this Commission.

Some Intervenors suggested lowering the TRM to 20%, which equates to a LOLE occurring once every 10 years. (*See* Staff/Intervenor Hearing Tr. 1286–87.) While some Intervenors argue that this 1:10 LOLE level is an "industry standard," Georgia Power appropriately views this as a minimum level of reliability. (Rebuttal Hearing Tr. 2165.) Georgia Power customers do not expect Georgia Power to provide the minimum level of reliability. They expect and deserve the exceptional reliability we have in Georgia. Georgia Power strongly opposes the proposal to adopt a winter TRM that would reduce reliability and result in substandard service for its customers. Lowering the winter TRM to the levels proposed by some Intervenors would lead to a substantial decline in reliability (roughly 80%) while increasing costs and risks for customers. (*See id.* at 2079, 2050, 2168, 2234.) Notably, utilities across the Southeast have either increased or established winter TRMs in the last few years. (*See id.* at 2048.) Use of a 26% TRM aligns with recent industry trends. The adoption of a lower TRM would run counter to industry reliability trends and, more importantly, reduce System reliability. Therefore, recommendations to lower the winter TRM should be rejected.

Some Intervenors also argue that the Company should have updated its Reserve Margin Study for the 2023 IRP Update. (Staff/Intervenor Hearing Tr. 1286, 1767, 1814.) However, adjusting or re-running the Reserve Margin Study for a single variable, as suggested by these Intervenors, is inappropriate. All relevant inputs and variables must be considered when updating the Reserve Margin Study. (*See* Rebuttal Hearing Tr. 2049.) Put simply, the approach

recommended by certain Intervenors is inappropriate and fails to account for the highly complex nature of Reserve Margin Studies. Consistent with its prior practice, the Company will file an updated Reserve Margin Study in the 2025 IRP. (*See id.*) At that point, the Company, Intervenors, and this Commission can properly evaluate the winter TRM in the context of all other changes in the Reserve Margin Study. The 26% winter TRM, as approved in the 2022 IRP for planning purposes and used in this 2023 IRP Update, is appropriate. Accordingly, the Commission should maintain its use for planning purposes in this case and revisit the winter TRM in the 2025 IRP.

C. Microsoft's comments on the IRP Update are based on a misunderstanding of the Company's planning processes and should be afforded no weight in the Commission's consideration of the case.

1. Microsoft's comments have not been subjected to cross-examination and therefore have minimal evidentiary value.

Microsoft's comments were filed after rebuttal hearings, were not subject to cross examination, and are flawed due to several basic misunderstandings of the Company's resource planning processes. In the absence of cross-examination afforded to all parties, there is no way for the Commission to assess the accuracy, validity, or veracity of the positions taken by Microsoft. (*See* O.C.G.A § 50-13-13(a)(3) ("Opportunity shall be afforded all parties to be represented by legal counsel *and to respond* and present evidence on all issues involved." (Emphasis supplied)).) Accordingly, the Commission should afford Microsoft's comments no evidentiary weight in this proceeding.

2. Microsoft's assumptions about the Company's approach to capacity accreditation are incorrect.

Microsoft "strongly supports a seasonal approach to capacity expansion, as provided by the LOLE[-based effective load carrying capability ("ELCC")] approach." (Microsoft Comments

8.) Microsoft further alleges that "GPC employs an Incremental Capacity Equivalence ("ICE") Factor to compute the capacity contribution of variable and energy-limited resources." (Microsoft Comments 7.) This allegation is simply incorrect. In the Company's 2022 IRP, this Commission acknowledged ELCC's status as an industry standard that "appropriately evaluates the contribution of renewable and energy limited resources to the reliability of the system." (*Order Adopting Stipulation*, Para. 32, Docket Nos. 44160 and 44161 (July 29, 2022).) In accordance with that Order, the Company adopted the ELCC approach and used it as part of this proceeding. (*See id.* ("In the next IRP, and any upcoming RFPs issued before the next IRP, the Company agrees to use the ELCC methodology to determine the renewable resource capacity values."); *see also* Staff/Intervenor Hearing Tr. 360 (PIA Staff confirming the ELCC method was used in the IRP Update to calculate capacity value of renewable resources).) Therefore, the Company already employed Microsoft's proposed method and allegations to the contrary reveal a misunderstanding of the Company's resource planning processes.

D. Georgia Power's decision not to rebut every assertion or allegation does not mean that Georgia Power concedes or agrees with those allegations.

It would not be an effective use of the PIA Staff, Intervenors, or this Commission's time for Georgia Power to rebut every single allegation asserted or implied in the 21 testimony filings and one position paper filed in this case. As expressly stated in the Company's rebuttal testimony:

> Due to the number of Parties filing testimony in this case and the limited time available to file rebuttal, our testimony focuses on several key issues without attempting to address every issue raised in PIA Staff or intervenor testimony. The fact that the Company may not respond to a particular position of PIA Staff or an intervenor should not be construed as acceptance of such position.

(Rebuttal Hearing Tr. 2022.)

In the interest of expediency and efficiency in these proceedings, Georgia Power focused its rebuttal and its discussion in this brief on the core issues in dispute in this proceeding, rather than devoting unnecessary time and resources to refute positions that are clearly wrong or simply irrelevant to the issues presented in this docket. Moreover, even if Georgia Power had not expressly reserved this position, the Commission, PIA Staff, and Intervenors could not reasonably conclude that something was agreed to by the Company merely because it was not specifically addressed during rebuttal.

VI. CONCLUSION

Georgia Power's 2023 IRP Update, as modified by the Stipulation, benefits all customers by preserving and protecting reliability and supporting the continued economic development of our state, all while placing downward pressure on rates for all customers. For the reasons set forth

above, and based on the record in this docket, the Commission should approve the Company's 2023 IRP Update as modified by the Stipulation.

Respectfully submitted, this 4th day of April, 2024.

_____

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the within and foregoing POST-HEARING BRIEF OF GEORGIA POWER COMPANY IN DOCKET NO. 55378 upon all parties listed below via electronic service or by hand delivery and addressed as follows:

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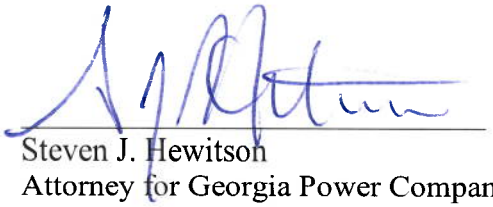
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