FILED
MAY 31 2024
EXECUTIVE SECRETARY
G.P.S.C.

DOCKET# 4822
DOCUMENT# 218875

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PINE GATE RENEWABLES, LLC EMERGENCY PETITION ORDER

Docket No. 4822

In Re: Capacity and Energy Payments to Cogenerators under the Public Utility Regulatory Policies Act of 1978 (PURPA)

On January 30, 2024, Pine Gate Renewables, LLC ("Pine Gate") filed an "Emergency Petition for Extension of Time and Petition for Declaratory Ruling on Interconnection Costs for Qualifying Facilities" ("Petition") with the Georgia Public Service Commission ("Commission"). The Emergency Petition sought the following relief:

1. An emergency extension of time of at least ninety (90) days or until the issues raised in this Petition are resolved, whichever is later, to execute State-jurisdictional Transmission Qualifying Facility ("QF") Interconnection Agreements ("QFIAs") for the interconnection of five (5) Pine Gate solar photovoltaic generation facilities the execution of which is currently required on or before January 31, 2024;

2. A declaratory ruling that Georgia Power Company's ("Georgia Power" or "Company") requirement that Pine Gate provide $30,050,000 in financial security to Georgia Power for an already-planned transmission upgrade project on the Municipal Electric Authority of Georgia ("MEAG") system violates the Commission's Order, the Qualifying Facilities Transmission Generator Interconnection Procedures ("QF-TGIP") and pertinent provisions of the QFIA, and is unjust and unreasonable; and

3. A declaratory ruling that Georgia Power's requirement that Pine Gate pay unreasonably high operation and maintenance ("O&M") expenses for interconnection facilities at its facilities pursuant to an unreviewed and undisclosed formula are multiple times higher than O&M expenses imposed by other utilities for similar facilities and require prepaid expenses that likely exceed Georgia Power's actual costs violates the Commission's Order, the QF-TGIP and QFIA.

Pine Gate's Petition argued that the Commission should allow Pine Gate to pay reasonable costs to accelerate the MEAG transmission upgrade project ("Warrenton Line Rebuild Project"), which would bring the needed project into service three years earlier than it otherwise would. Pine Gate also mentioned that it has a sixth QF project, Drawhorn Solar, LLC ("Drawhorn Solar"), that had not yet received a QFIA for execution. Pine Gate expected its requests in its Petition to similarly apply to Drawhorn Solar.

Pine Gate's Petition was discussed at the Commission's February 1, 2024, Energy Committee. Subsequently, Georgia Power, Pine Gate, and Commission Staff ("Staff") held a conference call to work out the dates by which to address the issues contained in Pine Gate's Petition and the resolution of the timing of signing the QFIAs in order for Georgia Power to begin its transmission studies. The Parties (Pine Gate and Georgia Power) reached a Stipulation on several issues and on February 16, 2024, Pine Gate filed a copy of the Stipulation (Attachment A) with the Commission. The Stipulation called for the following (among other issues):

1. Georgia Power will respond to Pine Gate's Petition on or before February 16, 2024.
2. Pine Gate may reply to Georgia Power's response on or before February 23, 2024.
3. Pursuant to the procedure set forth herein, the Commission shall resolve all issues raised in the Petition, specifically: Estimated O&M Costs (QFIA, Exhibit A, Section 3); the Security for Upgrade Projects identified in Future Years and the necessity for such project (QFIA, Exhibit A, Section 6); and determination of reasonable costs to accelerate that project(s)' in-service date from 2030 to year 2027.
4. To assist the Commission in the resolution of all issues raised in the Petition, Georgia Power will provide to the Commission's Staff the formula and calculations used to determine the estimated O&M costs in Exhibit A, Section 3, and the reasonable costs to accelerate that project(s)' in-service date from 2030 to 2027.

5. Should a mutually agreeable outcome not be reached sooner, the Parties agree that the issues raised in the Petition shall be placed on the Commission's Energy Committee agenda for March 14, 2024, unless otherwise directed by the Commission or its Staff.

6. Once the Commission renders a decision on the issues raised in the Petition (which is anticipated by oral vote on March 19, 2024), Pine Gate shall have 10 business days in which to notify Georgia Power of its decision to withdraw any of the executed QFIAs.

On February 16, 2024, Georgia Power filed its Response to Pine Gate's Petition. On February 23, 2024, Pine Gate filed a Reply Brief. Georgia Power met with Staff and Pine Gate on March 26, 2024 and April 24, 2024 to explain its interconnection study processes and O&M calculations. Georgia Power provided several Excel workbooks showing how the Company derives its annual O&M rate and how Pine Gate's O&M costs were calculated for each QF project.

Pine Gate's Petition was discussed at the Commission's May 2, 2024 Energy Committee meeting. On May 3, 2024, Pine Gate and Georgia Power met with MEAG concerning the Warrenton Line Rebuild Project. On May 7, 2024, Pine Gate requested additional time to review any MEAG proposal if/when one is finalized. The Commission held this item at its May 7, 2024 Administrative Session.

On May 21, 2024, Pine Gate notified Staff and the Commission that it had reached an understanding between MEAG Power and Pine Gate concerning the Warrenton Line Rebuild Project. MEAG Power agreed to move forward with the project and submit the project for Integrated Transmission System ("ITS") approval. If approval is not obtained for any reason, Pine Gate agrees to fund the entire cost of the project in advance of commencement of work.

On May 21, 2024, at the Commission's Administrative Session, Staff recommended the following:

Pine Gate's requested extension of time to sign its QFIAs is a moot issue due to the stipulation between Pine Gate and Georgia Power and therefore Staff recommends no action be taken.

Pine Gate's request for a declaratory ruling on Georgia Power's requirement that Pine Gate provide financial security for the Warrenton Line Rebuild Project is also a moot point due to the agreement between Pine Gate and MEAG concerning the cost responsibility of the Warrenton Line

Rebuild Project and therefore Staff recommends no action be taken. However, the QFIA's will need to be reissued by Georgia Power, to remove the MEAG costs, prior to signing by Pine Gate.

Pine Gate's request for a declaratory ruling on Georgia Power's requirement that Pine Gate pay unreasonably high O&M expenses for interconnection facilities at its facilities is still an outstanding issue for Commission decision. Staff recommends that Georgia Power's transmission/distribution line and substation O&M rates should be calculated separately using expense to investment ratios from relevant Federal Energy Regulatory Commission ("FERC") accounts for projects greater than 6 megawatts ("MW"), as such sized projects typically require substations to be built, in addition to line upgrades. These rates should be applied respectively to the transmission/distribution line and substation capital costs incurred for each QF project. The calculated monthly O&M amount for each QFIA would be adjusted based on actual capital project costs after commercial operation. Staff does not recommend changing Georgia Power's methodology of estimating future O&M costs.

The Commission approved Staff's recommendation at the May 21, 2024, Administrative Session.

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WHEREFORE, IT IS ORDERED, that Georgia Power Company's transmission/distribution line and substation operations and maintenance rates shall be calculated separately using expense to investment ratios from relevant Federal Energy Regulatory Commission accounts for qualifying facility projects greater than six (6) megawatts. Such rates shall be applied respectively to the transmission/distribution line and substation capital costs incurred for each qualifying facility project.

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 its Administrative Session on the 21st day of May 2024.

Sallie Tanner

SALLIE TANNER
EXECUTIVE SECRETARY

5-31-24
Date

JASON SHAW
CHAIRMAN

5-31-24
Date