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DOCKET NO. 55268

IN RE: GEORGIA POWER COMPANY'S 2029-2031 ALL-SOURCE CAPACITY REQUEST FOR PROPOSAL ("RFP")

ORDER APPROVING FINAL RFP DOCUMENTS WITH MODICATIONS FOR GEORGIA POWER COMPANY'S 2029-2031 ALL-SOURCE CAPACITY RFP

In Docket No. 44160, Georgia Power Company's ("Georgia Power" or "Company") 2022 Integrated Resource Plan ("IRP"), the Georgia Public Service Commission's ("Commission") Public Interest Advocacy Staff provided the following testimony:

> Staff concludes that the Company will likely have a need for capacity in the 2029-2031 time-period. Staff believes an all-source capacity RFP should be initiated following this IRP to address future capacity needs. An all-source capacity RFP should include traditional fossil fuel resources, stand-alone battery, and solar plus battery resources as was permitted in the most recent capacity RFP. In the next capacity RFP Demand-Side resources could also be treated as eligible resources.[1]

The Company agreed to conduct an all-source RFP as part of the stipulation approved by the Commission's Final IRP Order, dated July 21, 2022. Paragraph 18 of the stipulation states:

[1] Pre-filed testimony of Newsome, Hayet, Baron and Wellborn p. 77, lines 11-15

> The Company will conduct an all-source Request For Proposal (RFP) for capacity needed in the 2029 – 2031 period to address the expiration of capacity PPAs during 2029 – 2031 and any generation retirements. Specific RFP guidelines, including resource eligibility requirements, will be approved by the Commission in accordance with the Commission's RFP process.

At the request of the Company, Docket No. 55268 was established for the All-Source Capacity RFP on July 14, 2023. On November 15, 2023, Accion Group, LLC was selected to serve as the Independent Evaluator ("IE").

On May 23, 2024, Georgia Power filed a request for Commission approval of the final drafts of its 2029-2031 All-Source Capacity RFP[2], including:

- All-Source Capacity RFP for 2029-2031
- All-Source Pro Forma Combined Cycle Power Purchase Agreement ("PPA") (New Units)
- All-Source Pro Forma Combustion Turbine PPA (New Units)
- All-Source Pro Forma Energy Storage System ("ESS") with Renewable Resource PPA (New Facility)
- All-Source Pro Forma Standalone ESS PPA (New Facility)
- All-Source Pro Forma Asset Purchase Agreement ("APA")
- All-Source Pro Forma Build Transfer Agreement ("BTA")

The RFP is being conducted to assure a reliable and economic supply of capacity and energy for the Company's customers during the 2029-2031 timeframe. This Capacity RFP seeks to procure capacity resources from facilities between 80 and 1,200 megawatts ("MW") in size. Georgia Power estimated that up to 8,500 MW of Capacity Resources are necessary to satisfy capacity needs, as reflected in the following table.

Winter	Estimated Capacity Needs from 2023 IRP Update (MW)
2028/2029	2,280
2029/2030	3,247
2030/2031	5,960

The Company's expectation is that it will need additional resources to be available beginning in December 2028, but will also consider commencement as early as January 1, 2026, if resources are determined to be the most economic option to meet customer needs.

[2] Georgia Power filed revised final draft documents on June 6, 2024, but did not revise the CT and CC PPAs.

This RFP is governed by the Commission's RFP Rule. All communications and submission of bids will be through the IE's website.[3] The IE's report on the development of this RFP was filed with the Commission in this docket.

Under the oversight of the IE and Commission Staff ("Staff"), the Company will evaluate all bid proposals submitted and will determine a Competitive Tier that consists of the most competitive proposals. After the detailed transmission and portfolio analysis concludes, the Company will select a short-list of the most competitive bids, which may include one or more Company-owned Proposals ("COP"), for final evaluation and selection. A bidder selected for the Competitive Tier or Short List, or released from this RFP, will be notified in accordance with the RFP Schedule. Georgia Power requested that as part of the bid refresh, that bidders be permitted to modify their bid prices by either decreasing or increasing their original bid price. Therefore, a waiver to Commission Rule 515-3-4-.04(3)(e)(4) is required to allow bidders to make such modifications.

Finally, any Qualifying Facility ("QF") sized 30 MW or less, unless a waiver of the Commission's 30 MW size limit rule is requested and granted for a larger facility, may submit a notice of intent ("NOI") to participate in this RFP in accordance with the Commission's Orders in Docket No. 19279. The RFP document describes in detail what the requirements are for a QF to provide in its NOI submission. Any small power production or cogeneration QF sized larger than 30 MW can submit a bid into this RFP.

The Company will consider bids for: (i) PPAs with a PPA Term of 5, 10, 15, or 20, 25, or 30 Annual Periods; (ii) APAs for Facilities with a Facility Design Life of at least 10 years; and (iii) BTAs with a Facility Design Life appropriate with the technology type and consistent with Prudent Industry Practices.

The RFP Schedule covers a timeframe of approximately 17 months between the bid due date and the anticipated Commission approval of selected winning proposals. Because of the length of time between the bid due date and Certification of the resource(s), the Company proposed to use the "competitive tier and refreshed bid" process reflected in Commission Rule 515-3-4-.04(3)(e)(ix) to allow a participant with a competitive proposal the opportunity to refresh its pricing after the Competitive Tier has been selected.

[3] https://gpc2029-2031all-sourcerfp.accionpower.com/_gpc_2301/home.asp

As filed, the RFP allows the Company to develop one or more COPs. The Company, along with the IE and Staff, will compare all bids received, including APA and BTA bids, with the COP and will select the best option(s) to meet the specific needs for the anticipated need years. In accordance with O.C.G.A. § 46-3A-5, and pursuant to Commission Rule 515-3-4-.07(2), if a COP is selected, it will be submitted for Certification together with any other winning bids or selected APA/BTA proposals. The Commission's certificate approving any COP will set forth the not-to-exceed cost, which, similar to the certified cost of any PPA, APA or BTA, may not otherwise change, except as allowed by law pursuant to O.C.G.A. § 46-3A-7, and only with the express approval of the Commission.

On March 4, 2024, a Bidders' Conference webinar was held to allow potential bidders the opportunity to hear more and ask questions regarding the All-Source capacity RFP. There were 84 participants that attended the Bidder's Conference. Excluding the IE, Southern Company personnel and Staff, there were 56 attendees. Bidders and interested parties that registered may view the Bidders Conference webinar presentation on the IE Website.

The final draft RFP and PPA documents that were filed by Georgia Power on May 23, 2024 reflected several changes from the initial draft documents. Modifications were made to address feedback from Staff and the IE, and questions and concerns of potential bidders that were submitted by parties and prospective bidders during the comment period. On June 6, 2024, Georgia Power filed its revised Final Draft RFP and four revised Pro Forma Agreements and provided Staff and the IE a Summary of Changes document to list the major revisions between the Revised Drafts of the RFP and PPA documents that were originally posted on the IE Website and the Final Draft Documents.

Staff recommended that a clarification for the minimum resource size for qualifying facilities in Section 9.1 of the draft RFP was necessary. On the morning of June 18, 2024, Georgia Power provided a clarification regarding qualifying facilities, which specifies that qualifying facilities greater than 30 MW and less than or equal to 80 MW may bid into the RFP and compete, despite not meeting the 80-MW minimum resource size identified elsewhere in the RFP. Resources of that size may also request a waiver with the Commission and participate through the NOI process established for QFs less than or equal to 30 MW. Staff recommended this language be communicated to the market through the IE website.

While Staff was not opposed to allowing a refresh process as part of the RFP after the competitive tier had been set, Staff recommended that the refresh be limited to price improvements (price decreases). Staff recommended approval of the RFP and Pro Forma PPA documents filed on June 6th, and the CT and CC pro forma PPAs filed on May 23rd, with the changes to reflect the IE report recommendations, and to exclude the option for the competitive tier to increase pricing during the bid refresh process.

Staff also recommended adoption of the IE Report recommendations as follows:

- If the Commission permits re-pricing in the RFP:
  1. Participants should be provided with the relative ranking of their Submissions, relative to other Submissions. This information should be provided "blinded," so that the identity of other Participants are not disclosed. While this ranking should be based on the total cost analysis at that stage in evaluation, the cost information should not be disclosed.
  2. The date for a re-price submission should be part of the established schedule before the Submission date and remain fixed. This will advise Participants from the outset of when to be ready to submit revised prices, and thereby avoid delays later as Participants request extensions on the submission date.
  3. The re-fresh should be limited to price only. Changes to the size, technology, etc., which impact pricing and/or facility output, should not be permitted as part of a revised Submission. Change to the COD of a project should not be permitted.
  4. A re-price opportunity should be available to all conforming Submissions. That is, Submissions eliminated during the cure period or otherwise to be non-conforming should be excluded from a price re-fresh process. Weeks before the re-price submission date Participants should be advised, with "blinded" data, of the ranking of their projects. That ranking information should include the imputed cost impact of transmission.

- If a Seller is creditworthy, requiring that Seller to have a Seller Guarantor in place seems unnecessary and that requirement should be removed.

- If a Seller can establish a Net Worth of several billion dollars, or whatever number the Commission deemed reasonable for the size of the project, that should give GPC more comfort that Sellers will perform their obligations under the contract than Seller's credit rating. This would accommodate a Net Worth standard to establish creditworthiness.

- For APAs, requiring no more than 7 years of tax returns be required and believes as few as 3 would be appropriate.

- That GPC be required to refine Section 5.10 of the APA well in advance of the bid submission date.

- Provision 7.4 of the APA should be revised to clarify that the Seller, not GPC, will be responsible for any past tax return audits.

- The RFP should be revised to commit GPC to having only two persons from Southern Company Treasury available to advise the COP Team before the proposal Submission date, and also be available to the Evaluation Team to determine the creditworthiness of Bidders and the financial impact of Bids and proposals.

- That the Commission direct GPC to engage with Staff and the IE in a more timely manner in all future RFPs.

- That BTA, Part 14 requirements related to extended warranty obligations reflected in the price bid by a developer be imposed on GPC for any COP proposal that is identified as a finalist so the Company will be held to the same standards and costs imposed on third-party developers. Should any COP proposal be identified as a finalist, GPC should provide a cross-reference to the BTA identifying each provision the Company believes is not applicable to a self-build proposal.

- The Staff and IE should be involved in all APA and BTA contract discussions to ensure no negotiation of terms and conditions would change the direct costs or risk allocation from the draft contracts.

At its June 18, 2024, Administrative Session, the Commission adopted a motion by Commissioner Johnson to amend Staff's recommendation to require a credit worthiness determination through credit ratings agencies as defined in the RFP and allow a bid refresh process prior to selection of the Competitive Tier and allows the bid price to either increase or decrease.

The Commission approved Staff's recommendation as amended at the June 18, 2024, Administrative Session.

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

WHEREFORE IT IS ORDERED that the Final Draft 2029-2031 All Source Capacity RFP and all of the PPA documents are approved, as modified by the IE report and Commissioner Johnson's motion.

ORDERED FURTHER, creditworthiness will be determined through credit rating agencies as defined in the RFP.

ORDERED FURTHER, that a bid refresh process and rule waiver, allowing a bid refresh prior to the selection of the Competitive Tier, are hereby approved.

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

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

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

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

The above by action of the Commission in Administrative Session on the 18th day of June, 2024.

Sallie Tanner
Executive Secretary

7-3-24
Date

Jason Shaw
Chairman

7-3-24
Date