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Allison W. Pryor

July 10, 2024

Ms. Sallie Tanner
Executive Secretary
Georgia Public Service Commission
244 Washington Street, S.W.
Atlanta, Georgia 30334

Re: Georgia Power Company's 2023 Integrated Resource Plan Update, Application for the Certification of Plant Yates Units 8-10 Docket No. 55378

Dear Ms. Tanner:

Enclosed for filing on behalf of Georgia Power Company ("Georgia Power") is the Rebuttal Testimony of the Panel of Jeffrey R. Grubb and Michael A. Bush in support of Georgia Power's Application for the Certification of Plant Yates Units 8-10.

Please call me at (404) 885-3779 if you have any questions regarding this filing.

Sincerely,

Allison W. Pryor

Allison W. Pryor

Encl.

STATE OF GEORGIA

BEFORE THE

GEORGIA PUBLIC SERVICE COMMISSION

In Re:

Georgia Power Company's	**)**	**Docket No. 55378**
2023 Integrated Resource Plan Update,	**)**	
Application for the Certification	**)**	
of Plant Yates Units 8-10	**)**	

REBUTTAL TESTIMONY OF

JEFFREY R. GRUBB AND MICHAEL A. BUSH

JULY 10, 2024

REBUTTAL TESTIMONY OF
JEFFREY R. GRUBB AND MICHAEL A. BUSH

IN SUPPORT OF GEORGIA POWER COMPANY'S
2023 INTEGRATED RESOURCE PLAN UPDATE,
APPLICATION FOR THE CERTIFICATION OF PLANT YATES UNITS 8-10
DOCKET NO. 55378

I. INTRODUCTION

Q. PLEASE STATE YOUR NAMES, TITLES, AND BUSINESS ADDRESSES.

A. My name is Jeffrey R. Grubb. I am the Director of Resource Policy and Planning for Georgia Power Company ("Georgia Power" or the "Company"). My business address is 241 Ralph McGill Boulevard, N.E., Atlanta, Georgia 30308.

A. My name is Michael A. Bush. I am the Generation Development Director for Southern Company Services, Inc. ("SCS"). My business address is 600 North 18th Street, Birmingham, Alabama 35203.

Q. DID YOU PREVIOUSLY PRESENT DIRECT TESTIMONY ON BEHALF OF GEORGIA POWER IN THESE PROCEEDINGS?

A. Yes. We filed Direct Testimony in this proceeding on May 21, 2024.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. The purpose of our rebuttal testimony is to respond to the testimony of the Georgia Public Service Commission ("Commission") Public Interest Advocacy Staff ("PIA Staff") and the Southern Alliance for Clean Energy/Sierra Club ("SACE/Sierra Club") filed in this proceeding. The fact that the Company may not respond to a particular position of any party should not be construed as acceptance of such position.

Q. ARE YOU SPONSORING ANY EXHIBITS WITH YOUR REBUTTAL TESTIMONY?

A. No.

Q. PLEASE SUMMARIZE YOUR REBUTTAL TESTIMONY.

A. Our rebuttal testimony supports PIA Staff's recommendations for reporting and construction monitoring and confirms that the Company will collaborate with PIA Staff to develop reporting requirements that are appropriate for Yates 8-10. Our testimony also rebuts SACE/Sierra Club's recommendation to delay certification of Yates 8-10 by demonstrating the immediate need for the certification of these units and showing the Commission was aware of, and considered, fuel costs in approving Plant Yates Combustion Turbine Units 8-10 ("Yates 8-10") in the 2023 Integrated Resource Plan ("IRP") Update proceeding.

Q. HOW IS YOUR TESTIMONY ORGANIZED?

A. The remainder of our testimony is structured as follows:

- Section II discusses the Company's response to PIA Staff's construction monitoring proposals.
- Section III discusses the Company's response to SACE/Sierra Club's proposal to delay certification of Yates 8-10.

II. PIA STAFF'S CONSTRUCTION MONITORING PROPOSALS

Q. WHAT DOES THE PIA STAFF RECOMMEND WITH RESPECT TO YATES 8 – 10?

A. PIA Staff witness Steven Roetger makes three recommendations. First, Witness Roetger recommends that Yates 8-10 be certified at the amount presented by the Company in its Application in this proceeding, subject to the cost provisions agreed to in Paragraph 12 of the 2023 IRP Update Stipulation. Second, Witness Roetger

recommends that the semi-annual reporting process be approved as outlined in his direct testimony. Finally, Witness Roetger recommends that the construction monitoring program used by PIA Staff and the Company for Plant Vogtle Units 3 & 4 in Docket No. 29849 be approved for use in this case. Also, at this time, PIA Staff believes that semi-annual hearings are not necessary.

Q. DOES THE COMPANY AGREE WITH STAFF'S RECOMMENDATIONS?

A. Yes. As agreed in the 2023 IRP Update Stipulation, the Company agrees that if its Application is granted, Georgia Power will not seek recovery of any project construction costs that exceed the proposed project construction cost included in the Company's January 31, 2024 Application for Certification, absent a showing that such costs are the result of circumstances beyond its reasonable control. In addition, the Company supports and agrees to file semi-annual reports for Yates 8-10. The Company further agrees that the construction monitoring program employed for the Vogtle Units 3 & 4 Project was successful and should be implemented for the review of Yates 8-10. Witness Roetger stated in his direct testimony that "Staff would size this [construction monitoring] process appropriately for monitoring the Yates CT Project" and that "[t]he breadth and depth necessary to monitor the Plant Vogtle expansion will not be necessary for this Project."[1] Accordingly, the Company will collaborate with PIA Staff to develop the reporting requirements appropriate for the specific size and scope of Yates 8-10.

[1] *Direct Testimony and Exhibit of Steven D. Roetger*, Docket No. 55378, at 11:266-12:268 (June 21, 2024).

III. SACE/SIERRA CLUB RECOMMENDATION TO DELAY CERTIFICATION

Q. WHAT DOES SACE/SIERRA CLUB WITNESS LIN RECOMMEND?

A. SACE/Sierra Club witness Albert Lin recommends that the Commission delay certification of Yates 8-10. Witness Lin argues that a delay in certification would enable the Company to utilize information obtained in the procurement process underway for the 2029-2031 All-Source Request for Proposals ("RFP"). Witness Lin also testifies that such delay would allow the Commission to consider updated Fuel Cost Recovery policies.

Q. DOES THE COMPANY AGREE WITH WITNESS LIN'S RECOMMENDATION?

A. No. As the Company explained throughout the 2023 IRP Update proceeding, it has identified a need for capacity beginning in the winter of 2025/2026.[2] To meet these capacity needs, the Company sought certification for Yates 8-10 on an expedited timeline. The Company's 2029-2031 All-Source RFP cannot acquire resources quickly enough to meet the capacity needs identified for the winter of 2025/2026.[3] Indeed, in its Order Adopting Stipulated Agreement that approved the Yates 8-10 certification timeline, the Commission recognized the need for this specific certification timeline, stating that "[c]alls for a competitive procurement process overlook the specific circumstances and urgent capacity needs identified in the Company's request" and "[t]he competitive process, although generally beneficial, can be time-consuming and does not align with the rapid deployment necessary to meet near-term capacity needs in this unique case."[4]

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[2] *See e.g., Direct Testimony of Jeffrey R. Grubb, Francisco Valle, Lee Evans, and Michael A. Bush*, Docket No. 55378, at 10:3-5 (December 4, 2023).
[3] *Id.* at 23:8-24:2.
[4] *Order Adopting Stipulated Agreement,* Docket No. 55378, p. 14 (April 26, 2024).

Q. DOES THE COMPANY AGREE WITH WITNESS LIN'S ASSERTION THAT FUEL COSTS THAT ARE PASSED ON TO CUSTOMERS ARE NOT FULLY ACCOUNTED FOR IN THE IRP PROCESS?

A. No. Witness Lin contends that "items which have a fuel cost may appear to have no fuel cost during a financial analysis if the actual cost of fuel is passed on to another party not directly related to the party performing the analysis."[5] This statement is incorrect in the context of how Georgia Power analyzes resources requested in IRP proceedings generally and, specifically, this certification proceeding. As part of its evaluation, analysis, and recommendations for resource solutions to meet capacity needs, the Company accounts for and includes the cost of fuel (i.e. type, price, quantity) within its Aurora production cost modeling and expansion plan models.[6] In fact, in its Resource Mix Study, the Company included three fuel views of lower, moderate, and higher gas prices.[7] Also, in the Economic Analysis of Capacity Resources filed in support of the Company's resource requests in the 2023 IRP Update[8] (and updated in a supplemental filing[9]), Georgia Power evaluated the proposed resource solutions across the same three fuel views. The Company also conducted site-specific fuel price modeling for Yates 8-10. Witness Lin's assertion that the Company does not consider fuel prices in its financial analyses ignores specific information provided by the Company, as well as Staff's testimony presented to the Commission in the 2023 IRP Update proceeding. Specifically, the Company's fuel price modeling was discussed in the Direct Testimony of PIA Staff witnesses Newsome, Hayet, & Wellborn.[10] Clearly, the

[5] *Direct Testimony of Albert Lin*, Docket No. 55378, at 8:16-9:2 (June 21, 2024).
[6] *See* STF-JKA-2-1; STF-JKA-2-6 (Trade Secret).
[7] *See 2023 IRP Update Supplemental Filing,* Docket No. 55378, at 21, "Table 1: Planning Scenarios," (December 4, 2023).
[8] *See Economic Analysis of Capacity Resources*, Docket No. 55378 (October 27, 2023) (Trade Secret).
[9] *See Updated Economic Analysis of Capacity Resources*, Docket No. 55378 (January 12, 2024) (Trade Secret).
[10] *Direct Testimony and Exhibits of Tom Newsome, PE, CFA, Philip Hayet, & Leah Wellborn*, Docket No. 55378, at 34:14-38:3 (February 15, 2024).

Commission was aware of, and considered, fuel costs in approving Yates 8-10 in the 2023 IRP Update proceeding.

IV. CONCLUSION

Q. PLEASE SUMMARIZE WHY THE COMMISSION SHOULD APPROVE THE COMPANY'S CERTIFICATION REQUEST WITHOUT MODIFICATION.

A. During the 2023 IRP Update, the Commission recognized and agreed that the state of Georgia is in a period of extraordinary growth, and the Commission approved Yates 8-10 to serve Georgia Power's demonstrated capacity need beginning in the winter of 2025/2026. The expedited certification of Yates 8-10 is a necessary part of the Company's commitment to continue serving our customers reliably and cannot be delayed. As submitted, Georgia Power's Certification Application meets all requirements necessary for Certification, customer protections are included in the approved 2023 IRP Update Stipulation, and the Company agrees with PIA Staff that there is a need for a Construction Monitoring process. As such, the Company's Application should be approved without modification.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.