**DOCKET NO. 55763**

**IN RE: GEORGIA POWER COMPANY’S Winter 2027\_2028 Battery Energy Storage System Request for Proposals**

**Order Approving Final Request for Proposals documents WIth Modifications**

On July 22, 2024, Georgia Power Company (“Georgia Power” or “Company”) filed the final drafts of Georgia Power’s Winter 2027\_2028 Battery Energy Storage System (“BESS”) Request for Proposals (“RFP”), Pro Forma Power Purchase Agreement (“PPA”), and Pro Forma Build Transfer Agreement (“BTA”) for Georgia Public Service Commission (“Commission”) approval. As approved by the Commission in its Order Adopting Stipulation in Docket No. 55378 (“2023 IRP Update Final Order”) regarding Georgia Power’s 2023 Integrated Resource Plan Update (“IRP Update”), Georgia Power will procure approximately 500 megawatts (“MW”) of BESS capacity resources through a narrowly tailored RFP on an expedited schedule.

The Winter 2027\_2028 BESS RFP was ordered to follow the solicitation, product requirements, regulatory accommodations, and schedule found in Attachment C of the approved Stipulation. The Winter 2027\_2028 BESS RFP will seek BESS resources with commercial operation dates no later than December 1, 2027. As ordered, the amount of capacity ultimately procured through the Winter 2027\_2028 BESS RFP will be determined during the certification proceeding and will be an amount equal to the Company’s projected capacity needs for the winter of 2027/2028 at that time. To provide for the expedited RFP, the Commission granted waivers of Commission Rules 515-3-4-.04(3)(a)(10), 515-3-4-.04(3)(c)(1, 2, 3), 515-3-4-.04(3)(e)(1)(ii, v, vi, vii, ix), and 515-3-4-.04(3)(e)(4)(i, v, vi).

The Winter 2027\_2028 BESS RFP will seek to procure approximately 500 MW of BESS resources on or before November 30, 2027. Georgia Power will accept bids for resources including: (i) Standalone BESS with grid charging capability that has a transmission interconnection study completed or is in-progress and requires minimal transmission improvements (those that can be completed on or before November 30, 2027); and (ii) BESS with Renewable Resource and grid charging capability located at an existing or previously certified solar site that has a Point of Interconnection (“POI”) that allows winter discharging of the BESS.

Only bids for new facilities will be accepted. Awarded contracts for a facility that has not yet been constructed, but meets the requirements of a Build Transfer Facility, would be in the form of a Pro Forma BTA or if the facility is to be owned by the bidder would be a Pro Forma PPA. Each BESS must have a minimum Storage Device Design Capacity of 50 MW at the POI and a Storage Device Discharge Duration of four hours. The Storage Device Design Capacity must be no more than 500 MW at the POI. A proposed BESS paired with a Renewable Resource must also have a minimum design capacity of 50 MW and must be 50% to 100% of the Renewable Resource capacity. The BESS must initially charge from the renewable resource but must have grid charging capability.

The Winter 2027\_2028 BESS RFP seeks to procure facilities that are interconnected to the Georgia Power Electric System and located in the State of Georgia. A Bidder may not submit a Bid that locates the Facility on Georgia Power property. Only a Company-Owned Proposal may propose a Facility on Company property. Any BESS paired with a Renewable Resource as part of a BESS Submission must interconnect to the same POI as the Renewable Resource. Georgia Power will not accept a bid that constitutes partial output from a facility. A bid must offer 100% entitlement to the full input and output capability of the BESS resource. If a winning proposal is paired with a renewable facility that has an existing PPA with Georgia Power, an amendment to the existing renewable PPA will be filed with the Commission for approval.

In order to expedite the solicitation process, the Commission selected the currently approved Independent Evaluator (“IE”) for the 2029-2031 All Source RFP, Accion Group, LLC, as the IE for the Winter 2027\_2028 BESS RFP. All communications and submission of bids will be through https://gpcwinter2027-2028bessrfp.accionpower.com/ (“IE Website”). The evaluation of the bids received will primarily focus on a bid’s net present value of generation and transmission aspects over the life of the asset, but other qualitative and non-price attributes will be considered.

Bidders are required to submit with each bid a non-refundable “Bid Fee” of $20,000 for each bid. The first $10,000 of each Bid Fee will be used to defray a portion of the IE cost. To partially offset the cost of screening and assessments of an asset purchase, BTA bidders will be required to submit due diligence fees as described in Exhibit A of the Winter 2027\_2028 BESS RFP document. A portion of due diligence fees will be used to offset IE costs. There will also be a Winner’s Fee which will be calculated for each winning submission, including any Company-Owned Proposal, as the pro rata share for any remaining IE cost not covered by bid fees and due diligence fees.

Georgia Power will consider Term lengths for bids proposing (i) PPAs with a Term of 5, 10, 15, or 20 Annual Periods; and (ii) BTAs with a Facility Design Life appropriate with the technology type and consistent with Prudent Industry Practices. For evaluation of bids with unequal contract term lengths or facility design life lengths, Georgia Power will utilize its projected avoided costs to enable evaluation of bids on an equivalent basis, given the unequal PPA Term or facility design life lengths. For each unique bid submitted, a bidder will be permitted to provide one levelized pricing option and one escalating pricing option for one bid fee.

Bid Security will be due for bids that advance to the Competitive Tier. Bid Security will be equal to the product of 2% multiplied by: (i) for a PPA, the sum of the expected revenues during the PPA Term; or (ii) for a BTA, the purchase price.

As ordered in the Commission’s 2023 IRP Update Final Order, to expedite the solicitation process, the proposed contracts are based on the Commission-approved contracts from Georgia Power’s 2029-2031 All-Source RFP. Consistent with the Order, a comment period regarding the draft documents was not provided and a bid refresh process will not be used. Draft RFP, BTA and PPA documents were reviewed by Staff and the IE before Georgia Power’s filing.

The Winter 2027\_2028 BESS RFP document addresses Affiliate bids and Georgia Power's participation in this RFP through Company-Owned Proposals. Commission Rule 515-3-4-.04(3)(d) (Standards of Conduct) incorporates measures to segregate the Company’s Evaluation Team (“Evaluation Team”) and any Affiliate Bid Team. The lists identifying the Evaluation Team and Affiliate Bid Team members can be located on the Commission’s filing log under Docket No. 55763 and on the “Documents” page of the IE Website. However, this Commission rule does not apply to the Company itself. In section 1.3.2. B of the Final Draft RFP, Georgia Power states that it plans to voluntarily impose the Affiliate communications restrictions as set forth in Commission Rule 515-3-4-.04(3) to restrict communications between the Evaluation Team and the Company-Owned Proposal Team, except as noted regarding Specialized Technical Support Personnel in Section 1.3.2.C (Company-Owned Proposal Team and Specialized Technical Support Personnel). No Company-Owned Proposal Team member may share with any Primary Evaluation Team member any Company-Owned Proposal information related to the costs or specific characteristics of any aspect of the Company-Owned Proposal or its proposed Facility, except for communications facilitated by the IE and necessary for evaluation of a Company-Owned Proposal.

Regarding the evaluation of Company-Owned Proposals and BTA projects, a revenue requirement calculated using Georgia Power’s proprietary revenue requirement model will be locked down before bids are received. The Evaluation Team will then compare all bids received with any Company-Owned Proposal and will advance the best options to meet the specific needs for Georgia Power’s portfolio.

The initial ranking of the Competitive Tier will consist of the most competitive submissions. Production costing methods and models will be used to ensure that all material cost impacts are quantified. All Submissions (including Company-Owned Proposals, BTA Bids, and Affiliate Bids) will be considered and evaluated together. After a transmission and portfolio analysis is conducted, the most competitive submissions will advance to the Short List for final evaluation and advancement.

In accordance with O.C.G.A. § 46-3A-5, and under Commission Rule 515-3-4-.07(2), if a Company-Owned Proposal advances to the Short List, it will be submitted for Certification together with any winning bids, and the IE will testify regarding its evaluation of the Company-Owned Proposal. The Commission’s certificate approving any Company-Owned Proposal will set forth the not-to-exceed cost, which, similar to the certified cost of any PPA or BTA under which Georgia Power purchases energy from, or acquires a facility, may not otherwise change, except as allowed by applicable law under O.C.G.A. § 46-3A-7, and only with the Commission’s express approval.

As ordered in the Commission’s 2023 IRP Update Final Order, to expedite the solicitation process, the proposed contracts are based on the Commission approved contracts from Georgia Power’s 2029-2031 All-Source RFP, which had been previously commented on by interested bidders and parties. To ensure Staff has access to all bid data promptly in the expedited Winter 2027\_2028 BESS RFP, Staff recommended a modification to section 8.1 of the Winter 2027\_2028 BESS RFP document concerning Staff and IE Oversight of the RFP, by adding the following sentence:

“Staff will be given access to all bid data after the evaluation model has been locked down, the bid period has closed, and all bids have been cured.”

Staff also recommended a correction to Section 2.3.4 (BESS with Renewable Resource) of the Winter 2027\_2028 BESS RFP document, to change the number ‘100’ to ‘50’. Staff recommended approval of Georgia Power’s filed Winter 2027\_2028 BESS RFP document and Pro Forma PPA and BTA with the modifications recommended by Staff.

The Commission approved Staff’s recommendation at the August 6, 2024 Administrative Session.

\* \* \* \* \* \* \* \* \* \* \* \* \*

**WHEREFORE IT IS ORDERED** that the Final Draft of the 2023 Winter 2027\_2028 Battery Energy Storage System Request for Proposals and the Pro Forma Power Purchase Agreement and Pro Forma Build Transfer Agreement, with the modifications recommended by Commission Staff, 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.

The above by action of the Commission in Administrative Session on the 6thday of August, 2024.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Sallie Tanner Jason Shaw

Executive Secretary Chairman

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date Date