STATE OF GEORGIA

BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION

In Re: Georgia Power Company's Application for the Certification of the 2023 Biomass RFP Power Purchase Agreements	)))))	Docket No. 44880

GEORGIA POWER COMPANY'S POST-HEARING BRIEF

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I. INTRODUCTION

The matter presently pending before the Georgia Public Service Commission (the "Commission") is Georgia Power Company's ("Georgia Power" or the "Company") Application for the Certification of the 2023 Biomass RFP Power Purchase Agreements ("Application"). In its Application, Georgia Power seeks to certify three Biomass Power Purchase Agreements ("PPA") for a total of 77.9 megawatts ("MW") of biomass generation. The Company submits this post-hearing brief in further support of its Application for certification of the three PPAs. The Company has also submitted a Proposed Order for the Commission's consideration.

On July 29, 2024, Georgia Power filed its Application and further amended its Application on August 8, 2024 to include the fully executed New Greenfield PPA with Altamaha Green Energy, LLC. On August 5, 2024 Georgia Power filed the pre-filed Direct Testimony of Jeffrey R. Grubb, Jeffrey B. Weathers, and Sherri T. Radney. Georgia Interfaith Power & Light was the only party to intervene in the Docket.

On August 13, 2024, Commission Staff ("Staff") filed the Direct Testimony of the panel of Jamie Barber and John L. Kaduk, in support of the PPAs. On August 16, 2024, Accion Group, the Independent Evaluator ("IE") filed the Direct Testimony and Report of the IE.

On August 29, 2024, all witnesses that pre-filed testimony took the stand and were made available for cross-examination by all parties to the proceeding.

II. ARGUMENT

A. THE COMPANY HAS COMPLIED WITH THE COMMISSION'S DIRECTIVE TO PROCURE BIOMASS RESOURCES.

The Company's Application for certification of three PPAs that the Company awarded under the 2023 Biomass Request for Proposals ("RFP") through a market-based competitive solicitation complies with the Commission's directive to procure up to 140 megawatts ("MW") of new biomass capacity in accordance with the Commission-approved RFP process. These PPAs will continue the expansion of renewable resources for Georgia Power's customers.

In addition, by certifying these PPAs, the Commission will continue to advance the benefits of biomass as a renewable resource to support Georgia's forestry industry and rural jobs and economic development. The three PPAs are:

- A 10-year Biomass Addition PPA with International Paper Company that will provide Energy, Environmental Attributes, and Electrical Products from the 3.6 MW Port Wentworth Mill facility located in Chatham County, Georgia;
- A 10-year Biomass Addition PPA with International Paper that will provide Energy, Environmental Attributes and Electrical Products from the 4.3 MW Flint River Mill facility located in Macon County, Georgia; and

- A 30-year New Greenfield PPA with Altamaha Green Energy, LLC, that will provide Energy, Environmental Attributes, and Electrical Products from the 70 MW Altamaha Green Energy, LLC, facility located in Wayne County, Georgia.

The Company is also requesting an additional sum for each of the three PPAs of $3 per kW a year for the applicable PPA terms starting in 2026 as was approved in the 2022 Integrated Resource Plan ("IRP") Final Order in Docket No. 44160. The three PPAs were selected in the 2023 Biomass RFP and are contracted to deliver energy totaling 77.9 megawatts of biomass capacity to Georgia's customers. Additionally, as the Commission's 2022 IRP Final Order prescribes, the PPAs represent the benefits of biomass as a renewable resource supporting Georgia's forestry industry and rural jobs and economic development.

On February 16, 2023, the Company held a pre-bid conference for interested bidders. (Tr. 88: 5-7). On March 10, 2023, the Company filed with the Commission the Final 2023 Biomass RFP, which Staff and the IE had approved. (Tr. 89:3-8). The Commission approved the RFP on April 21, 2023. (Tr. 12: 12-19). The Company solicited proposals for the RFP in the marketplace. Subsequently, four bidders submitted bids. (Tr. 123: 1-4). One of the bidders was disqualified for failing to meet the requirements of the RFP. (Tr. 112; IE Report at 11). The Company selected all remaining bidders to be in the Competitive Tier and then to the Short List, in consultation with Staff and the IE (Tr. 14-15: 27-31, 1-9).

The Company, the IE, and Staff then met with International Paper Company and with Altamaha Green Energy, LLC ("Winning Bidders") to discuss the pro forma redlines of their respective PPAs and allowed the bidders on the Short List the opportunity to further clarify the PPA terms. The Company, the IE, and Staff supported accepting site-specific redlines and adding

terms in the PPAs obligating the Winning Bidders to share the benefit of Qualifying Federal Support secured by the Winning Bidders through a reduction in the Monthly Energy Price paid by Georgia Power. After the Winning Bidders meetings concluded, the Company provided the Winning Bidders with revised PPAs for final review and execution which are now before the Commission for certification.

To ensure transparency and equity in the process, the Company performed a Total Net Benefit Analysis of the bids consistent with prior RFP evaluations and agreed upon with Staff and IE. The total net benefit is the difference between the cost of energy from the biomass resources and the Company's projected avoided costs (the "Total Net Benefit"). The costs consist of the payments made to the Winning Bidders plus any costs associated with system improvements necessary to deliver the energy to the Company's customers.

Georgia Power and Southern Company Services Transmission and Distribution personnel provided the transmission and any appropriate distribution costs based on the characteristics of each facility described within each bid submitted into the 2023 Biomass RFP ("Bid"). The Company calculated the avoided costs for each Bid by applying the hourly avoided energy and capacity cost projections from the Budget 2023 planning data to the hourly output from the Facility, as provided by each bidder. Each Bid has a different and unique avoided cost because the typical hourly outputs differ between Bids because of diverse design parameters such as capacity, cogeneration specifications, or steam requirements. To appropriately compare projects of different MW sizes, the Total Net Benefit of each Bid was expressed in terms of a levelized dollar per megawatt hour.

Additionally, the costs of conducting and administering the 2023 Biomass RFP are offset by 2023 Biomass RFP Bid Fees and Winner's Fees. Georgia Power proposes to recover any remaining costs and subsequent PPA costs through the Fuel Cost Recovery ("FCR") mechanism.

In addition, the bidders submitted qualitative, non-quantitative information with its bid submissions in accordance with the RFP and requests from the Commission in the 2022 IRP Order (Tr. 14: 16-25). The bidders provided information and projected benefits for using biomass as a renewable resource to support Georgia's forest industry and rural and economic development growth, including projected number of jobs, construction costs, and related economic development. (Tr. 95: 1-6).

As a result of the 2023 Biomass RFP, the Company selected three new Biomass PPAs now contracted to deliver energy totaling 77.9 MW of biomass capacity to Georgia Power's customers. The RFP process ensured fair and equal treatment of all bidders. The IE and Staff were involved and approved each step, responses to questions, decisions, and documents throughout the RFP process – from developing the RFP Documents, developing the Pro-Forma PPAs, evaluating bids, responses to the comments and questions form bidders to the RFP, selecting the Competitive Tier and Short List, and finalizing the final executed PPAs.

The use of the IE Website for questions and comments regarding this RFP further ensured that the process was not only fair and equitable, but also transparent to all participants. The evaluation process involved a thorough analysis of all the bids submitted for consideration into this 2023 Biomass RFP. The analysis was consistent, impartial and fair to all parties. (Tr. 103; IE Report at 2).

In compliance with the Commission's directive to procure up to 140 MW of new biomass capacity, these PPAs will continue the expansion of renewable resources for Georgia Power's customers. In addition, as the Commission has recognized, the benefits of biomass as a renewable resource support Georgia's forest industry and rural job and economic development growth.

III. CONCLUSION

The Biomass PPAs further the Commission's directives to seek biomass resources to support the Georgia forestry industry and promote job and economic development in rural Georgia. For the reasons stated above, the testimony of the witnesses, the fair and impartial RFP process, the bid proposals submitted by the bidders, the executed PPAs, the Commission's IRP Order, and the entire record in this matter, the Commission should approve the Company's application for the certification and approve the three PPAs.

The Company requests the Commission grant a certificate of public convenience and necessity for 77.9 MW of new Biomass PPAs and approve the Company's requested ratemaking treatment, additional sum amount, and conforming Qualifying Facility PPA amendments for the two Biomass Addition PPAs.

The Company has submitted a Proposed Order for the Commission's consideration that is in the best interest of customers and provides substantial benefits of biomass as a renewable resource that supports the Georgia's forest industry and rural job and economic development growth.

Respectfully submitted this 6th day of September 2024.

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