STATE OF GEORGIA

BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION

In Re:	)	
	)	
GEORGIA POWER COMPANY'S	)	
APPLICATION FOR THE CERTIFICATION	)	**Docket No. 44880**
OF THE 2023 BIOMASS RFP POWER	)	
PURCHASE AGREEMENTS	)	
_____	)	

PROPOSED ORDER OF GEORGIA POWER COMPANY

Record Submitted: September 6, 2024 Decided: September 17, 2024

APPEARANCES

On behalf of Georgia Power Company:

ROBERT S. HIGHSMITH JR.
ALLISON PRYOR
GRAHAM T. COATES
KEITH M. WIENER

BY THE COMMISSION:

I. BACKGROUND AND PROCEDURAL HISTORY

This matter comes before the Georgia Public Service Commission ("Commission") to consider Georgia Power Company's Application for the Certification ("Application") of the 2023 Biomass RFP Power Purchase Agreements ("PPAs") that Georgia Power Company ("Georgia Power" or the "Company") filed on July 29, 2024 and amended on August 8, 2024.

On July 29, 2022, the Commission issued its Order Adopting Stipulation As Amended in Docket No. 44160 ("2022 IRP Final Order") regarding Georgia Power's 2022 IRP, which directed the Company to reissue the Biomass RFP to procure up to 140 megawatts ("MW") of new biomass capacity and energy for Georgia Power customers. Consistent with this directive, the Company issued the 2023 Biomass RFP.

Georgia Power issued the Biomass RFP seeking energy up to a maximum total procurement of 140 MW, with in-service dates in June 2025 through 2029, consistent with the Commission's 2022 IRP Final Order. In accordance with the Commission's RFP Rule governing RFPs, the Company drafted the 2023 RFP for Biomass Generation, a Biomass Addition Project Pro Forma PPA, and a New Greenfield Project Pro Forma PPA (collectively, the "RFP Documents") with input from potential bidders, the Commission Staff ("Staff"), and Accion Group the Independent Evaluator ("IE") over a period of several months.

The Company posted drafts of the RFP Documents on the IE Website on February 1, 2023, thereby opening the Comment Period. Georgia Power received over 20 comments on the RFP Documents from potential bidders and interested parties during the Comment Period. The Company, Staff, and the IE reviewed each of the comments submitted. Georgia Power accepted and incorporated all appropriate revisions suggested by the market.

On February 16, 2023, the IE hosted a Bidders Conference to allow potential bidders and interested parties the opportunity to receive more information about the Biomass RFP from Georgia Power, Staff, and the IE, and to ask additional questions and further comment upon the RFP Documents. Thereafter, on March 10, 2023, the Company filed the revised RFP Documents, appropriately reflecting the feedback received from bidders and interested parties throughout the process, for Commission approval.

On April 21, 2023, the Commission issued its Order Approving the Final Request for Proposals and Power Purchase Agreement Documents with Modifications in Docket No. 44880. Georgia Power issued the Biomass RFP on April 28, 2023. The Company subsequently issued an amended RFP on June 16,2023, which made certain changes to the RFP in accordance with Orders from the Commission.

On May 16, 2024, the Commission issued its Procedural and Scheduling Order ("PSO") setting forth the dates for the filing of testimony and briefs, as well as the dates for hearing in this matter. The PSO declared these proceedings to be contested cases as the term is defined in O.C.G.A. § 50-13-13 to encompass complex litigation under O.C.G.A. § 9-11-33. On June 4, 2024, the Commission issued an Order Suspending Application and Testimony Filing Dates. On July 29, 2024, the Commission issued an Amended Procedural and Scheduling Order. On July 29, 2024, Georgia Power filed its Application for the Certification of the 2023 Biomass RFP PPAs.

Based on the net present value benefits to Georgia Power's customers on a dollar per MW hour basis, the Company, Staff, and the IE evaluated and ranked four proposals from three unique bidders representing approximately 107.9 MW of biomass capacity. From this ranking, Georgia Power selected a Competitive Tier to conduct its transmission evaluation to determine the costs of transmission grid improvements necessary to integrate the projects. The Company imputed these transmission costs to each bid, and reranked the Competitive Tier to reflect the transmission and

distribution impacts in the total net benefit calculation. Staff and the IE confirmed Georgia Power's transmission analyses and the resulting impact on the Competitive Tier rankings.

Georgia Power selected a 77.9 MW portfolio comprising three proposals. The three 2023 Biomass PPAs increase the Company's biomass generation portfolio and add resources that provide both energy and capacity benefits, along with the Environmental Attributes and Electrical Products to Georgia Power customers. The Company requests that the Commission grant a Certificate of Public Convenience and Necessity for each of the following resources:

- A ten (10) year Biomass Addition PPA with International Paper Company that will provide Energy, Environmental Attributes, and Electrical Products from a 3.6 MW Port Wentworth Mill facility addition. The Port Wentworth Mill facility is in Chatham County, Georgia.
- A ten (10) year Biomass Addition PPA with International Paper Company that will provide Energy, Environmental Attributes, and Electrical Products from a 4.3 MW Flint River Mill facility addition. The Flint River Mill facility is in Macon County, Georgia.
- A thirty (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. The Altamaha Green Energy, LLC, facility will be in Wayne County, Georgia.

To accommodate the new Biomass Addition PPAs sought for certification, Georgia Power also requests to amend the existing "Contract for the Purchase of Firm Capacity and Energy From a Renewable Qualifying Facility Utilizing the Proxy Unit Methodology" for each of the Flint River Mill and Port Wentworth Mill facilities. The amendment will align the sale of energy generated in excess of the Committed Capacity under current PPAs to the requirements set forth in the Biomass Addition PPAs and resolve inconsistent provisions between the existing and Biomass Addition PPAs.

Georgia Interfaith Power & Light ("GIPL") filed an application for leave to intervene on July 1, 2024 in this Docket. On August 5, 2024, the Company pre-filed testimony on behalf of Jefferey R. Grubb, Jefferey B. Weathers, and Sherri T. Radney. On August 8, 2024, the Company filed an Amended Application for Certification of the 2023 Biomass PPAs. On August 13, 2024, Staff filed testimony on behalf of Jamie Barber and John L. Kaduk. On August 16, 2024, the IE filed testimony along with the Commission the IE's Report on the RFP process.

On August 29, 2024, a public Hearing was conducted before the Commission. Both Georgia Power and Staff presented live testimony. GIPL conducted cross examination of the Georgia Power and Staff witnesses, but did not pre-file or present any direct testimony. The Commissioners asked questions and made certain comments.

The court reporter for the Commission provided a transcript of the Hearing on September 9, 2024.

On September 6, 2024, the Company filed a Brief in Support of the Application of the three PPAs.

II. FINDINGS OF FACT AND CONCLUSIONS OF LAW

1.

After reviewing the record, documents, filings, the RFP, the procurement process, the executed PPAs, the written and live testimony and evidence submitted in this matter and presented at the August 29, 2024 Hearing, the Briefs submitted by the parties, and considering all the information presented to the Commission, the Commission finds and concludes that the Company's Application of the three PPAs is approved.

2.

On April 21, 2023, the Commission approved the RFP and pro forma PPAs for issuance to the market. The Company issued the Biomass RFP on April 28, 2023.

3.

The Commission finds and concludes Proposals submitted for consideration in the RFP were reviewed and evaluated against each other by the Company, Staff, and IE using a net benefit analysis to ensure a selection of projects that provide the most customer value. As ordered by the Commission and to ensure fairness, the bids submitted into the Biomass RFP were evaluated and ranked based on the net present value benefits to Georgia Power's customers on a dollar per MW hour basis.

4.

The Commission finds and concludes Georgia Power, with approval of the Staff and IE, selected a Competitive Tier to conduct its transmission evaluation to determine the costs of transmission grid improvements necessary to integrate the projects. The Company then imputed these transmission costs to each bid, and reranked the Competitive Tier to reflect the transmission and distribution impacts in the total net benefit calculation. Staff and IE confirmed Georgia Power's transmission analyses and the resulting impact on the Competitive Tier rankings.

5.

The Commission finds and concludes Georgia Power, with approval of the Staff and IE, selected the Short List of bidders, and conducted negotiations with the bidders, including input

from the Staff and the IE, resulting in certain changes and additions to the PPAs that the Staff and the IE approved.

6.

The Commission finds and concludes that Georgia Power conducted the RFP in accordance with Commission Rule 515-3-4-.04(3), which governs the RFP process ("RFP Rule") as well as the evaluation criteria the Commission approved in the Stipulation. The IE facilitated the RFP. Staff provided an additional level of evaluation and oversight throughout the process. The information provided in the RFP documents, and the additional materials provided to the market through the IE Website, provided bidders the information needed to develop bids in accordance with the requirements previously approved by the Commission.

7.

The Commission finds and concludes the RFP process was fair and impartial.

8.

The Commission finds and concludes the written and live testimony presented by the Company, Staff, and the IE detailed the significant efforts that went into the development of the RFP, which allowed for considerable stakeholder input into both the RFP documents and the construction of the pro forma PPAs that the Company used to contract with the winning bidders.

9.

The Commission finds and concludes that throughout the RFP process, there were opportunities for bidders to make comments on the RFP and pro forma PPAs that the Staff and IE reviewed, that the Company considered in revising the RFP documents with the input and approval of the Staff and IE, and that the Company submitted to the Commission for approval via Staff's recommendations.

10.

The Commission finds and concludes the RFP resulted in the selection of a portfolio of resources providing the most value in the market to customers for Biomass, and substantial benefits to the Georgia forestry industry, rural and economic development, significant job creation, and increased local tax revenues. The PPAs will result in 77.9 MW of biomass resources added to the grid in Georgia.

11.

The Company has procured 77.9 MW of the 140 MW approved in the 2022 IRP Final Order. The PPAs will provide energy, associated environmental attributes, and electrical products from 77.9 MW of biomass capacity.

12.

The Commission finds and concludes the PPAs will provide substantial support to the Georgia Forestry Industry, significant job creation, economic impact on local communities and regions, construction surge and contract wood procurement, local tax revenue to the communities, and rural and economic development. The evidence presented in this case supports the approval of the Company's Application.

13.

Under O.C.G.A. § 46-3A-4, the Commission finds and concludes that the PPAs with International Paper Company and Altamaha Green Energy, LLC shall be certified. The three PPAs reinforce the Commission's commitment to expanding biomass development that furthers Georgia's forestry industry and provides rural economic growth opportunities. The PPAs represent additional opportunities to increase the Company's biomass generation portfolio and add resources that provide both energy and capacity benefits to Georgia Power customers. Certification of the PPAs is appropriate under Georgia law and Commission Rules.

14.

The Commission finds and concludes that the cost incurred to supply customers energy and capacity utilizing the PPAs as well as the cost to implement and administer the RFP shall be recovered through the Company's fuel clause, consistent with the 2022 IRP Final Order. The 2022 IRP Final Order approved the Stipulation and set the additional sum of $3/kW per year of the applicable PPA term starting in 2026. The amount of additional sum will be the same each year. The additional sum is consistent with the requirements approved in the 2022 IRP Final Order.

15.

The Commission finds and concludes that the additional sum provided for in the Application is reasonable and appropriate and is approved.

16.

The Commission finds and concludes that the resolution of the matters raised in this Docket is appropriate and is in the best interest of customers and the state of Georgia. As the testimony and other evidence in the record supports, the PPAs will result in the addition of renewable

resources that support the forestry industry, job creation, tax revenue, and rural and economic development.

17.

The Commission retains its jurisdiction to ensure that the Company abides by and implements the rates, terms and conditions set forth in the Stipulation adopted herein, and to issue such further order or orders as this Commission may deem proper.

III. ORDERING PARAGRAPHS

WHEREFORE, IT IS ORDERED, the Company's Application is hereby approved, and a Certificate for Public Convenience and Necessity is issued for each of the three 2023 Biomass PPAs.

ORDERED FURTHER, that the Company's request for approval of the amendments to the Contract for the Purchase of Firm Capacity and Energy From a Renewable Qualifying Facility Utilizing the Proxy Unit Methodology between International Paper and the Company is hereby approved.

ORDERED FURTHER, that all findings, conclusions, statements, and directives the Commission made 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 jurisdiction over this proceeding is expressly retained for the purpose of entering such further order or orders as this Commission may deem proper.

ORDERED FURTHER, any motion for reconsideration, rehearing, or oral argument shall not stay the effectiveness of this Order unless expressly ordered by the Commission.

The above by action of the Commission in Administrative Session on the 17th of September, 2024.

_____	_____
Executive Secretary	Chairman
_____	_____
Date	Date