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| **In Re:**<br><br>**GEORGIA POWER COMPANY'S APPLICATION FOR CERTIFICATION OF BIOMASS POWER PURCHASE AGREEMENTS** | ) | **Docket No. 44880** |

## ORDER APPROVING CERTIFICATION OF BIOMASS POWER PURCHASE AGREEMENTS

Record Submitted: August 29, 2024 Decided: September 17, 2024

## APPEARANCES

On behalf of Georgia Public Service Commission Public Interest Advocacy Staff:

PRESTON THOMAS, Esq.

On behalf of Georgia Power Company:

ROBERT HIGHSMITH, Esq.
ALLISON W. PRYOR, Esq.

On behalf of Georgia Interfaith Power and Light:

JENNIFER WHITFIELD, Esq.
ARADHANA CHANDRA, Esq.

**BY THE COMMISSION:**

## I. BACKGROUND AND PROCEDURAL HISTORY

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

On July 29, 2022, the Commission issued the 2022 Integrated Resource Plan ("IRP") Final Order ("2022 IRP Final Order") concerning the 2022 IRP. The 2022 IRP Final Order amended and approved the Stipulation to include the procurement by Georgia Power of new biomass capacity and energy for its customers. In accordance with the 2022 IRP Final Order, the 2023 Biomass Request for Proposals ("RFP") sought to procure up to 140 megawatts ("MW") of new generation from projects that are fueled by biomass and have anticipated in-service dates in the June 2025 – 2029 timeframe. In its Order, the Commission stated its recognition of the benefits of biomass as a renewable resource and that procuring such resources supports Georgia's forest industry and rural job and economic development growth. The current Independent Evaluator ("IE"), Accion Group, LLC was ordered to remain in place for the 2023 Biomass RFP.

The 2023 Biomass RFP was issued on May 3, 2023, and closed on July 14, 2023. For this RFP, there were 3 unique bidders that offered 4 projects for a total of approximately 108 MW.

Through the 2023 Biomass RFP Process, Georgia Power selected a portfolio that totaled 77.9 MW which consisted of three proposals that provide both energy and capacity benefits, along with Environmental Attributes and Electrical Products. As described in Georgia Power's Application, the Company requested 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 located 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 located 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 located in Wayne County, Georgia.

On July 1, 2024, Georgia Interfaith Power & Light filed an application for leave to intervene in the Docket.

On July 29, 2024, the Commission issued its Amended Procedural and Scheduling Order setting forth the dates for the filing of testimony and briefs, as well as the dates for hearing in this matter. These proceedings were declared to be contested cases as the term is defined in O.C.G.A. § 50-13-13 and were also held to encompass complex litigation pursuant to O.C.G.A. § 9-11-33. Also on July 29, 2024, Georgia Power filed its Application for the Certification of the 2023 Biomass RFP PPAs.

On August 5, 2024, the Company pre-filed testimony on behalf of Jeffrey R. Grubb, Jeffrey B. Weathers and Sherri T. Radney. On August 13, 2024, Public Interest Advocacy Staff ("Staff") filed testimony on behalf of Jamie Barber and John L. Kaduk. On August 16, 2024, the IE filed testimony in addition to the IE's Report on the 2023 Biomass RFP process. Georgia Interfaith Power & Light did not file testimony in this proceeding.

On August 29, 2024, a hearing was conducted before the Commission. Both Georgia Power, Staff, and the IE presented testimony. On September 6, 2024, parties to this docket filed their Proposed Order.

## II. FINDINGS OF FACT AND CONCLUSIONS OF LAW

1.

The Commission finds and concludes that the Company's Application is approved. Through the 2023 Biomass RFP PPAs, the Company has procured 77.9 MW of the 140 Biomass MW approved in the 2022 IRP Final Order. The PPAs sought for Certification in this case will provide energy, associated environmental attributes, and electrical products from three biomass projects totaling 77.9 MW of capacity. The evidence presented in this case supports the approval of the Company's Application.

2.

Pursuant to O.C.G.A. § 46-3A-4, the Commission finds and concludes that the PPAs with Internation Paper Company's Flint River Mill and Port Wentworth Mill facilities and the Altamaha Green Energy, LLC. facility shall be certified. All selected projects provided the required supplemental project information that described the potential economic impact of their proposed facilities to the state of Georgia. These three PPAs reinforce the Commission's and the Company's commitment to expanding the development of renewable energy and furthers the Company's commitment to diversifying its electric supply mix for its customers. The three PPAs support rural job and economic development in Georgia. Certification of the PPAs is appropriate under Georgia law and Commission Rules.

3.

The 2023 Biomass RFP was conducted in accordance with Commission Rule 515-3-4-.04(3), which governs the RFP process ("RFP Rule") as well as the evaluation criteria as approved

by the Commission in the 2022 IRP Final Order. The RFP was facilitated by the IE. In addition, 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, gave bidders the information needed to develop bids in accordance with the requirements previously approved by the Commission.

The testimony presented by the Company, Staff, and the IE Report 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 were used to contract with the winning bidders. Throughout the process, there were opportunities for bidders to make comments on the RFP and pro forma PPAs that were reviewed by Staff and the IE, considered by the Company in revising the RFP documents, and submitted to the Commission for approval via Staff's recommendations. On April 4, 2023, the Commission approved the RFP and pro forma PPAs with modifications for issuance to the market. All bids were submitted by July 14, 2023. The result of this RFP process was a bidder pool of 3 market participants who submitted 4 unique proposals.

Proposals submitted for consideration in the RFP were reviewed and evaluated against each other by the Company, Staff, and IE using a cost/benefit analysis. A competitive tier was selected after an initial screening and those selected projects posted security and then underwent a more thorough and comprehensive evaluation. The process was fair and transparent.

Ultimately, the RFP resulted in the selection of the portfolio of resources that met the Commission's policy directive to add additional Biomass resources to the Company's generation mix. As Staff testified, these projects provide energy, environmental attributes, electrical products, and support Georgia's forest industry and rural job and economic development growth.

4.

As approved by the Commission in its 2022 IRP Final Order, Georgia Power is allowed to recover its program costs to implement and administer the 2023 Biomass RFP. The costs of conducting and administering the 2023 Biomass RFP were partially offset by bid fees and winner's fees. In its Application, Georgia Power requested to include any remaining 2023 Biomass RFP costs and subsequent Biomass PPA costs in its fuel clause and recover such costs through the FCR mechanism. The cost incurred to supply customers energy and capacity from the PPAs as well as any remaining costs to implement and administer the RFP that were not recovered through bid and winners' fees shall be recovered through the Company's fuel clause.

In the 2022 IRP Final Order, the Commission approved an additional sum of $3 per kW-year for the 2023 Biomass PPAs for the term of the PPAs. The Commission finds and concludes that the additional sum provided for in the Application is reasonable and appropriate and is approved. Further, the Commission finds and concludes that Georgia Power's request to include any remaining 2023 Biomass RFP costs and subsequent Biomass PPA costs in its fuel clause and recover such costs through the FCR mechanism, which is similar to treatment of such costs in previous RFPs, is hereby approved.

5.

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. These resources support the Commission's policy to add additional Biomass resources to Georgia Power's generation mix. The resolution is supported by testimony and other evidence in the record and will support Georgia's forest industry and rural job and economic development growth and further fuel diversity for Georgia Power's customers.

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## III. ORDERING PARAGRAPHS

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

**ORDERED FURTHER,** that the Company's amendments to the Contracts for the Purchase of Firm Capacity and Energy From a Renewable Qualifying Facility Utilizing the Proxy Unit Methodology between Georgia Power and International Paper Company for the Flint River Mill and Port Wentworth Mill facilities are hereby approved.

**ORDERED FURTHER,** that the Company's request to include any remaining 2023 Biomass RFP costs not recovered by bid fees and winner's fees and subsequent Biomass PPA costs in its fuel clause and recover such costs through Georgia Power's Fuel Cost Recovery mechanism is 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 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.

Sallie Tanner
Executive Secretary

9-20-24
Date

Jason Shaw
Chairman

9-20-24
Date