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Docket No. 4822

In Re: CAPACITY AND ENERGY PAYMENTS TO COGENERATORS UNDER THE PUBLIC UTILITY REGULATORY POLICIES ACT OF 1978 (PURPA)

ORDER DENYING RGP BOWMAN SOLAR, LLC'S REQUEST TO INITIATE A PROCEDURAL AND SCHEDULE ORDER TO DETERMINE THE REASONABLENESS OF INTERCONNECTION COSTS

On April 26, 2024, RGP Bowman Solar, LLC ("Bowman") filed an "Emergency Petition for Extension of Time and Petition for Declaratory Ruling on Interconnection Costs for a Qualifying Facility" ("Petition") with the Georgia Public Service Commission ("Commission"). The Petition sought the following relief:

1. An emergency extension of time to execute a State-jurisdictional Transmission Qualifying Facility ("QF") Interconnection Agreement ("QFIA") with Georgia Power Company ("Georgia Power" or "Company") for the interconnection of a 76.53 MW solar photovoltaic ("PV") generation facility (the "QF Facility") and 9.72 MVA Battery Energy Storage System ("BESS") located at 2375 Georgia Highway 172, Bowman, Elbert County, Georgia 30624, consisting of approximately 342 acres ("Subject Property"), the execution of which Georgia Power required on or before April 27, 2024;

2. A declaratory ruling that Georgia Power's requirement that Bowman either pay or provide security by means of a Letter of Credit ("LC") securing $38 million to Georgia Power for estimated installation costs for affected system network upgrades to the Georgia Transmission Corporation ("GTC") system, which the Company contends is required to interconnect the QF Facility to the GTC electric system, the required payment of which violates the Commission's

Order, the Qualifying Facilities Transmission Generator Interconnection Procedures ("QF-TGIP") and pertinent provisions of the QFIA, and is further unjust and unreasonable;

3. A declaratory ruling that Georgia Power's requirement that Bowman pay $38,560,000 to the Company for estimated installation costs which the Company contends are required for interconnection of the QF Facility to the Company's electric system, the required payment of which is an unreasonable interconnection cost in violation of the Commission's Order, the QF-TGIP and pertinent provisions of the QFIA, and is further unjust and unreasonable;

4. A declaratory ruling that the Company's requirement that Bowman make monthly payments of $37,782.74 for operation and maintenance ("O&M") expenses for interconnection facilities for its QF Facility are not based on the Company's actual cost to provide O&M services, and are otherwise unreasonable and violate the Commission's Order, the QF-TGIP and QFIA;

5. A declaratory ruling that Bowman has timely provided the Company with acceptable Interconnection Facility Site control documents and all necessary Property Rights documents to develop the QF Facility on the Subject Property substantially in the Company's standard form and in conformance with the Company's standard requirements; and

6. A Procedural and Scheduling Order ("PSO") by which the Commission will take evidence on this Petition and issue its final decision.

In its Petition, Bowman recognized its responsibility to pay reasonable interconnection costs to allow its QF Facility to interconnect with Georgia Power's electric system for transmission of its generation. However, Bowman's position is that Georgia Power's assessment of interconnection costs for Bowman's QF Facility are unreasonable.

On May 28, 2024, Georgia Power filed its Response to Bowman's Petition. Georgia Power states that no extension emergency existed except for one of Bowman's own creation and that the Commission-approved interconnection procedures require Bowman to make payment or provide security for the costs of the interconnection facility upgrades. The Company also stated that its methodology for calculating O&M costs is fair and reasonable and an evidentiary hearing would be inappropriate and contrary to Commission rules.

On June 12, 2024, Bowman filed a Reply to Georgia Power's Response. In this filing, Bowman requested that the Commission direct Commission Staff ("Staff") to develop a PSO by which the interconnection issues raised in its Petition could be resolved. Bowman argues that the issues in its Petition are a case of first impression as this Commission has never reviewed interconnection costs imposed on renewable generators.

The Commission's March 11, 2021 Order in this docket approved an executed stipulation between Staff and Georgia Power as well as the requirement that QFs continue to pay their total

reasonable interconnection costs. The Order also states that modifications to the transmission system ("Network Upgrade Costs"), that are required in order to facilitate the QF's interconnection be refunded (100%) back to the QF since these upgrades benefit the system and therefore customers with improved grid reliability. The Order also approved the QF Standard Offer contracts as well as the process for a QF pursuing a Small Generator Interconnection Agreement ("SGIA"), Large Generator Interconnection Agreement ("LGIA") or interconnection with an Integrated Transmission System ("ITS") participant. The Commission's Order further stated that:

> *"the Commission reserves the right to determine the reasonableness of any State-jurisdictional interconnection costs assigned to a QF through a Qualified Facility Interconnection Agreement or a negotiated QF Standard Offer Contract."*

In a January 13, 2022 Order, the Commission ordered that Georgia Power and the Commission's Energy Efficiency and Renewable Energy ("EERE"), and Electric Staff work to finalize the state jurisdictional QF interconnection procedures so that they specify the recommended reimbursement of interconnection and delivery network upgrade costs to QFs, including the appropriate reimbursement for network upgrades that are included in the Company's Ten-Year Plan. Georgia Power and Staff worked together to finalize the state jurisdictional QF interconnection procedures and interconnection agreement templates so that the agreements specify the recommended reimbursement of interconnection and delivery-related network upgrade costs to QFs, including the appropriate reimbursement for network upgrades that are included in the Company's Ten-Year Plan.

On April 8, 2022, at the request of the Commission, Georgia Power filed its state jurisdictional QF-TGIP, QF Distribution Generator Interconnection Procedures ("QF-DGIP"), and corresponding Transmission and Distribution QFIA templates and on May 24, 2022, the Commission approved these documents.

On November 19, 2024, at the Commission's Administrative Session, Staff recommended the following:

Staff recommends against approving Bowman's request for the Commission to initiate a PSO, which would include a hearing for the Commission to determine the reasonableness of Bowman's interconnection costs. The Company's QF Interconnection Studies of the Bowman project were completed in accordance to the Commission approved QF-TGIP. After completion of the Company's studies, Georgia Power issued its study reports, and the parties met to review. The study reports identified interconnection upgrades as either "Interconnection Facilities," "Refundable Network Upgrades," or "Affected System-Interconnection Utility Upgrades." Staff has completed a desk review of the Company's interconnection studies and the associated costs

identified for interconnection upgrades. If the Commission wants to initiate a PSO, Staff recommends assigning this review to a hearing officer and would include an Advisory Staff.

Staff further recommended that if the Commission adopts Staff's recommendation to not initiate a PSO, the following process should be used:

1. Georgia Power will revise the draft QFIA for project GPCQF-1034 ("Bowman Project") to reclassify the GPC upgrade (Bio – Avalon Junction 115 kV project) as Refundable Network Upgrades.
2. RGP Bowman will execute the new QFIA within 10 business days of receipt.
3. RGP Bowman will provide Notice to Proceed (NTP) one day after executing the new QFIA.
4. Within 10 business days of providing NTP, RGP Bowman will provide:
    a. Cash Payment of $8,560,000 for the GPC Interconnection Facilities.
    b. Security (Letter of Credit) in the amount of $30,000,000 for the Georgia Power Refundable Network Upgrades.
    c. Security (Letter of Credit) in the amount of $38,000,000 for GTC line upgrades.
    d. Security (Letter of Credit) in the amount of $1,183,111 for tax impact amounts.
5. Failure to provide the Cash Payment and Letters of Credit as required above will result in the Bowman Project being deemed withdrawn from the process.

The Commission approved Staff's recommendation at the November 19, 2024, Administrative Session.

* * * * * * * * * * * * *

WHEREFORE IT IS ORDERED that RGP Bowman, LLC's request for the Commission to initiate a Procedural and Scheduling Order is hereby denied.

ORDERED FURTHER, that the process outlined by Commission Staff regarding the steps to be used if the Commission adopts Staff's recommendation 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 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 its Administrative Session on the 19th day of November 2024.

Sallie Tanner

SALLIE TANNER
EXECUTIVE SECRETARY

11-26-24
Date

JASON SHAW
CHAIRMAN

11-26-24
Date