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Docket No. 55378 &44160

In Re: Georgia Power Company's 2023 Integrated Resource Plan Update, Application for Certification of the Robins, Moody, Hammond, and McGrau Ford Phase I and II Battery Energy Storage Systems.

ORDER ADOPTING STIUPULATION AND GRANTING CERTIFICATION OF ROBINS, MOODY, HAMMOND, AND MCGRAU FORD PHASE I AND II BATTERY ENERGY STORAGE SYSTEMS

APPEARANCES:

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

PRESTON THOMAS, Attorney

On behalf of Georgia Power Company:

BRANDON F. MARZO, Attorney
JOSHUA W. COMBS, Attorney
HOLLY INGRAM, Attorney

BY THE COMMISSION:

STATEMENT OF PROCEEDINGS

On January 31, 2022, Georgia Power Company ("Georgia Power" or "Company") filed its 2022 Integrated Resource Plan ("IRP") in Docket No. 44160. The 2022 IRP highlighted the importance of energy storage system solutions, including battery energy storage system ("BESS") solutions, to manage the significant expansion of renewable resources in the Company's long-term resource plan. To that end, the Company proposed the addition of the McGrau Ford Battery Facility in the 2022 Integrated Resource Plan ("IRP"), with an expected commercial operation date ("COD") by the end of 2026.

On July 29, 2022, the Commission issued its Order Adopting Stipulation in the Company's 2022 IRP ("2022 IRP Order"). Paragraph 13 of the 2022 IRP Stipulation relates to the McGrau Ford Phase I Battery Facility and states the following:

> 13. The Company is provisionally authorized to develop, own, and operate the McGrau Ford Battery Facility ("McGrau Ford Project"). The Company will be required to provide the final McGrau Ford Engineering, Procurement, and Construction ("EPC") agreement to the Commission prior to undertaking procurement for or construction of the McGrau Ford project. Following the Company's provision of the EPC agreement, the Commission will determine whether to proceed with the McGrau Ford Project and provide a deemed certified amount for the McGrau Ford Project. If the Company exceeds the deemed certified amount, the Company has the burden of showing that such costs were prudently incurred. The Company will also file quarterly construction monitoring reports from the date construction begins through the date of commercial operation.

Pursuant to the 2022 IRP Order, Georgia Power was provisionally authorized to develop, own, and operate the McGrau Ford Phase I BESS facility. In the 2022 IRP Order, the Commission determined that the 2022 IRP settlement provided an avenue for Georgia Power to complete the McGrau Ford Phase I project with a more complete record and assurance of economic benefits.

On October 27, 2023, Georgia Power filed its 2023 Integrated Resource Plan Update ("2023 IRP Update") in response to the Company's forecast of unprecedented load growth and the need for additional capacity to meet this growth. In addition to various capacity resources and demand-side initiatives, the Company requested that the Commission approve 1,000 megawatts ("MW") of BESS resources.

On March 26, 2024, the Public Interest Advocacy Staff ("PIA Staff") and the Company entered into a stipulation that was intended to resolve all issues related to the 2023 IRP Update, including the Company's BESS Project proposals. Paragraphs 7 and 8 of the Stipulation relates to the BESS Projects and states the following:

> 7. The Company's request to own and operate up to a total of 1,000 MW of Battery Energy Storage Systems ("BESS") is not approved. The Company is granted authority to develop, own, and operate up to 500 MW of BESS resources at various sites that will be identified by the Company to help meet the needs of economic development customer loads in the winter of 2026/2027. This BESS development will be exempted

from the RFP process under Commission Rules 515-3-4-.04(3)(f)(6) and (7). The Company shall file for expedited certification of projects once EPC agreements for the projects have been executed. Specific reporting requirements will be determined in the certification proceeding. Should the projects not be certified, the Commission will consider, during the certification proceeding, whether any incurred project cost not useful or transferable to other potential future projects shall be deferred to a regulatory asset for recovery in the next base rate case. The Commission will monitor the load growth under the reporting provided in Paragraph 2 and the Company or Staff may request an adjustment to the amount of BESS resources procured under this paragraph as needed to ensure that customers' needs can be met in the winter of 2026/2027.

8. The Company's specific request for Battery Energy Storage System ("BESS") projects at Robins and Moody Air Force Bases are exempted from the Commission's RFP process under Commission Rules 515-3-4-.04(3)(f)(6) and (7) and approved. The capacity of these projects is included in the 500 MW of BESS resources approved for development in Paragraph 7. The Company shall file for expedited certification of the Robins and Moody projects once the EPC agreements for the projects have been executed. The Company will file semi-annual construction monitoring reports from the date construction begins through the date of commercial operation. Specific reporting requirements will be determined in the certification proceeding. Should the projects not be certified, the Commission will consider, during the certification proceeding, whether any incurred project cost not useful or transferable to other potential future projects shall be deferred to a regulatory asset for recovery in the next base rate case.

On April 26, 2024, the Commission approved the Stipulation. The 2023 IRP Update evidentiary record in this docket supported approval of the Stipulation and supports including 500 MW of BESS resources to meet the needs of Georgia Power customers in the winter of 2026/2027 and beyond. These resources will help ensure an economical and reliable supply of capacity and energy for Georgia Power's customers. Further, the prior record in this docket authorized the exclusion of these BESS resources from the Request for Proposals requirement of the Commission Rules, under the exception provided in Commission Rules 515-3-4-.04(3)(f)(6) and (7). The Commission takes administrative notice of the record in the prior hearings in this docket and incorporates that record into this proceeding.

On August 9, 2024, the Company filed its Engineering, Procurement, and Construction Agreement Compliance Filing for the McGrau Ford Phase I BESS in Docket No. 44160. Separately, on August 16, 2024, the Company submitted its Application for Certification of Robins, Moody, Hammond, and McGrau Ford Phase II BESS (together with the McGrau Ford Phase I Compliance Filing ("Certification Application") along with the direct testimony of the panel of Jeffrey R. Grubb, Michael A. Bush, and Steve M. Goedjen.

On September 4, 2024, the Commission issued a Procedural and Scheduling Order ("PSO") to govern the request for certification process. Given the common issues involved in the Commission's consideration of the McGrau Ford Phase I and Phase II BESS projects and for additional efficiencies, the PSO consolidated the Commission's consideration of the Certification Application filed in Docket No. 55378 and the Compliance Filing in Docket No. 44160 into a single evidentiary proceeding in the 2023 IRP Update docket. The PSO also provides for the Commission's administrative notice of the evidentiary record established in Docket No. 44160 in which the Commission provisionally approved the McGrau Ford Phase I BESS project.

Consistent with the PSO, PIA Staff filed the direct testimony of Bobby Iseley and Jeffrey D. Bower and Douglas A. Smith and Kathryn Palacios on October 11, 2024. No other party intervened or filed testimony in this proceeding.

On October 23, 2024, the Company and Staff entered into a Stipulation resolving all issues in this proceeding ("Stipulation"). That same day, the Company filed the rebuttal testimony of the panel of Jeffrey R. Grubb, Michael A. Bush, and Steven M. Goedjen in support of the Stipulation.

On October 31, 2024, the Commission held an evidentiary hearing on the Company's Certification Application, where it received testimony from Company and Staff witnesses. The Company and Staff presented a joint panel of Company witnesses Jeffrey R. Grubb, Michael A. Bush, and Steven M. Goedjen, and Staff witness Bobby Iseley.

PIA Staff submitted a Proposed Order Granting Certification of Robbins, Moody, Hamond and MGrau Ford Phase I and II Battery Energy Storage Systems on November 14, 2024. Georgia Power filed a letter in support of Staff's Proposed Order on the same date.

JURISDICTION AND AUTHORITY

Georgia Power is a public electric utility serving retail customers within the State of Georgia. This Commission has jurisdiction over Georgia Power's Application for Certification pursuant to O.C.G.A. § 46-2-1 et seq. generally, and the "Integrated Resource Planning Act", O.C.G.A. § 46-3A-4 et seq. in particular.

Additionally, pursuant to O.C.G.A. § 46-3A-3(a), after January 31, 1992, no utility shall commence the construction of an electric plant, sell an existing plant or any portion thereof which is included in the retail rate base or which has been certified, enter into a long-term purchase of electric power, or make expenditures for a demand-side capacity option for serving the utility's Georgia retail customers without having first obtained from the commission a certificate that public convenience and necessity requires, or will require, such construction, sale, purchase, or expenditure.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1.

To ensure that the competing interests of all parties were properly considered, the Commission has carefully analyzed the Stipulation entered into by the Company and Staff, and all evidence of record including the testimony given and the various exhibits entered by the parties. The Commission finds and concludes that the terms of the Stipulation are supported by the evidence in the record and is a fair and reasonable resolution that appropriately strikes the balances of interest of the parties. The Commission further finds that the evidence presented supports the finding that the resources will provide a reliable supply of electric power when needed by Georgia retail customers and finds that certification is appropriate. Therefore, the Commission approves and adopts the Stipulation as detailed below.

2.

The Commission finds and concludes that the provisions of the agreement shall have full force and effect as stated in the Stipulation.

3.

The Commission finds and concludes that Georgia Power's Application for the Certification of Robins, Moody, Hammond, and McGrau Ford Phase II BESS projects and the request to proceed with the McGrau Ford Phase I BESS Project are approved as amended by the Stipulation.

4.

The Commission finds and concludes that the certified amount for the BESS projects shall be set at the amount provided in paragraph 5 of the Trade Secret Stipulation, and that Georgia Power shall manage the projects, including project contingency costs, on a cumulative basis for the portfolio of BESS Projects.

5.

The Commission finds and concludes that the Company will file quarterly construction monitoring reports for the Robins, Moody, Hammond, and McGrau Ford Phase I and II BESS projects, consistent with the Stipulation. These Reports should include information on capital expenditures, schedule, critical path activities, licenses, permits, cost and schedule variances in major contracts, procurement status of long-lead time equipment, construction work in progress

("CWIP"), allowance for funds used during construction ("AFUDC"), and Ad Valorem balances. The Company will collaborate with the Staff on format for the reports.

6.

The Commission finds and concludes that the Company will begin filing an Annual BESS Report one year after the latest COD for the five BESS facilities approved herein.

7.

The Commission finds and concludes that the Company will provide Staff with a copy of its 2024 transitional cluster study. The Company will also consider alternatives, including potential operational adjustments or dispatch changes, prior to finalizing transmission upgrades identified in the McGrau Ford Phase II screening analysis in its 10-year Transmission Plan.

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ORDERING PARAGRAPHS

WHEREFORE IT IS ORDERED that the Commission adopts the Stipulation (Attachment A) as described herein and approves Georgia Power Company's Application for the Certification of Robins, Moody, Hammond, and McGrau Ford Phase I and II Battery Energy Storage Systems as modified by the Stipulation.

ORDERED FURTHER, the Commission finds that the provisions of the agreement shall have the full force and effect as stated in the Stipulation.

ORDERED FURTHER, that construction of Robins, Moody, Hammond, and McGrau Ford Phase II BESS projects shall be exempted from the Request for Proposal process under Commission Rules 515-3-4.-04(3)(f)(6) and (7).

ORDERED FURTHER, that the certified in-service costs of the Robins, Moody, Hammond, and McGrau Ford Phase I and II BESS projects that Georgia Power has designated as Trade Secret shall be equal to the amount stated in paragraph 5 of the Stipulation.

ORDERED FURTHER, that Georgia Power Company will file quarterly construction monitoring reports from the date construction begins through the date of commercial operation and that the construction monitoring program shall proceed as described in the Stipulation.

ORDERED FURTHER, all findings, conclusions, and decisions contained within the preceding sections of this Order are hereby adopted as findings of fact, conclusions of law, and decisions of regulatory policy of this Commission.

ORDERED FURTHER, that a motion for reconsideration, rehearing, 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(s) as this Commission may deem just and proper.

The above action by the Commission in Administrative Session on the 3rd day of December 2024.

Sallie Tanner
Executive Secretary

12-12-24
Date

Jason Shaw
Chairman

12-12-24
Date

Exhibit A

STATE OF GEORGIA
BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION

In Re: Georgia Power Company's 2023 Integrated Resource Plan Update: Application for Certification of Robins, Moody, Hammond, and McGrau Ford Phase II Battery Energy Storage Systems	)	**Docket No. 55378**
In Re: Georgia Power Company's 2022 Integrated Resource Plan: Engineering, Procurement, and Construction Agreement Compliance Filing for the McGrau Ford Phase I Battery Energy Storage System	)	**Docket No. 44160**

STIPULATION

The Georgia Public Service Commission (the "Commission") Public Interest Advocacy Staff ("Staff") and Georgia Power Company ("Georgia Power" or the "Company") (collectively the "Stipulating Parties") agree to the following stipulation as a resolution of the above-styled proceeding to consider the Company's Application for Certification of Robins, Moody, Hammond and McGrau Ford Phase II Battery Energy Storage Systems ("BESS") and the Engineering, Procurement, and Construction Agreement ("EPC Agreement") Compliance Filing for McGrau Ford Phase I BESS (collectively "BESS Certification Request"). The Stipulation is intended to resolve all issues in these Dockets regarding the Company's BESS Certification Request. The Stipulating Parties agree as follows:

1. The Company's requests to certify the Robins, Moody, Hammond, and McGrau Ford Phase II BESS projects are approved as amended by this Stipulation.

2. The Company's request to proceed with the McGrau Ford Phase I BESS project is approved as amended by this Stipulation.

3. The Company agrees to file quarterly Construction Monitoring Reports for Robins, Moody, Hammond, and McGrau Ford Phase I and II BESS projects (collectively, "BESS Projects"). The Reports will include information on capital expenditures, schedule, critical path activities, licenses, permits, cost and schedule variances in major contracts, procurement status of long-lead time equipment, construction work in progress ("CWIP"), allowance for funds used during construction ("AFUDC"), and Ad Valorem balances. The Company will collaborate with the Staff on format for the reports.

4. Beginning one year after the latest COD for the 5 facilities, the Company will file an Annual BESS Report that will include updated costs of augmentation and performance of BESS pre- and post-augmentation, including actual decline rates in duration.

5. The Stipulating Parties agree that the certified amount for the portfolio of BESS Projects shall be set at [redacted], including contingency. The Stipulating Parties understand that this adjustment in contingency agreed upon in this Stipulation in no way is intended to limit the Company's legal rights pursuant to Georgia law to request Commission approval for recovery of costs above the certified amount and it does not limit the Commission's legal authority to disallow costs below the certified amount. The Company shall manage contingency on a cumulative basis for the portfolio of BESS Projects and shall report on contingency through the construction monitoring reports.

6. Georgia Power agrees to provide Staff with a copy of the 2024 transitional cluster study and will notify Staff through the construction monitoring process whether the cluster study will impact the expected costs of the portfolio of BESS Projects certified in this case.

7. The Company agrees to consider alternatives, including potential operational adjustments or dispatch changes, prior to finalizing transmission upgrades identified in the McGrau Ford Phase II screening analysis in its 10-year Transmission Plan.

Agreed to this 23rd day of October 2024.

Preston Thomas, by p

Preston Thomas

On Behalf of the Georgia Public Service Commission
Public Interest Advocacy Staff

Brandon F. Marzo

On Behalf of Georgia Power Company