BEFORE THE
GEORGIA PUBLIC SERVICE COMMISSION

In Re:	]	
Georgia Power Company's	]	Docket 56002
2025 Integrated Resource Plan and	]	
Demand Side Management Program	]	Docket 56003

Resource Supply Management Interim Brief

NOW COMES, Resource Supply Management ("RSM") and submits its Interim Brief in the above-referenced dockets. RSM offers the following arguments and recommendations for the Georgia Public Service Commission's consideration:

Summary of Argument

I. Georgia Power Company's Plan to Build 8,500 MW of Generation to Serve Prospective New Data Center Customers Places All the Risk and Cost of Development Upon Existing Base Rate Customers

A. The Commission Should Place the Risk of Billions of Dollars in New Costs for Extra Generation and Transmission Assets On the Company by Limiting and Restricting Returns On Excess Capacity And Transmission by Doing So the Company Will Have Strong Economic Incentives Not to Overbuild Its System to the Detriment of Existing Ratepayers

II. The Biden Era Environmental and Energy Rules and Policies Will Be Terminated or Drastically Limited by the Trump Administration and Neither Georgia Power Company Nor the Georgia Public Service Commission Should Subject Ratepayers to Costly Programs No Longer Mandated by Government Decree

A. The Commission Should Follow the Example of all Georgia Retail Utilities Which Have Not Implemented Demand Side Management Programs but Have Relied Upon Market Forces to Encourage Customers to Properly Allocate Cost to Efficiency Measures

B. All Georgia Power Company Customers, Not Just Industrial Customers, Should Have the Right to Opt-Out of the Demand Side Management Program

III. The Commission Has Publicly Declared That Serving New Data Centers Will Not Burden Existing Ratepayers and This Principle Should Be Applied to Other Georgia Power Policies and Rates, Such as Demand Side Measures, Electric Vehicle Programs, and Rooftop Solar

Argument

I. Georgia Power Company's Plan to Build 8,500 MW of Generation to Serve Prospective New Data Center Customers Places All the Risk and Cost of Development Upon Existing Base Rate Customers

Georgia Power's plans to issue request for proposals (RFPs) immediately after the end of the IRP and DSM dockets to serve the prospective new data center customers places all the risk and cost of development for this new generation upon existing base rate customers. Existing base rate customers are not creating this unprecedented historic level of generation demand and should not be burdened by the tens of billions of dollars in costs necessary to build and support 8,500 MW of new generation.

The Company confirmed it has approximately 16,000 MW of generation assets today. Adding an additional 8,500 MW of new generation in 8 years is more than a **50%** increase, but the Commission seems oblivious to the magnitude of this proposal and the enormous cost necessary to build 8,500 MW of new generation along with the necessary transmission and other system improvements required to support this gigantic historical increase in electric generation. Existing base rate customers should bear none of the financial risk of such colossal proposal. The new large load customers creating this incredible demand for new generation and shareholders ought to be 100% responsible for this massive capital investment.

Yes, there was a new rule approved April 17 that states it will "protect existing customers from bearing any of the costs of adding large load customers . . . ," (Docket 44280/Document 222325, p. 5) but any PSC rule is only good if a majority supports it and we won't know until the Yates combined-cycle CT costs are added to rate base whether all those costs will be borne by the new large load customers. Additionally, the rule is full of conditions and exceptions that might give it some regulatory teeth. First, the contract language can be different from terms and conditions provided to the Staff.

Second, if the Staff objects to the contract language protecting customers there is no public hearing, and if the Commission takes no action for thirty (30) days the contract is automatically approved. Third, from the language of the Order and tariff it appears as if the only penalty the large load customer faces if it ends their contract early is paying the minimum bill amounts ($172 per month plus rider charges) for the remaining term of the contract. What a penalty! A whole $3,000.00 a year or $45,000 for 15 years. This is chump-change for any major corporation. The new rule is no protection for existing customers and is merely a token response to avoid implementing meaningful protections.

A. The Commission Should Place the Risk of Billions of Dollars in New Costs for Extra Generation and Transmission Assets On the Company by Limiting and Restricting Returns On Excess Capacity And Transmission by Doing So the Company Will Have Strong Economic Incentives Not to Overbuild Its System to the Detriment of Existing Ratepayers

Georgia Power Company's plans to build 8,500 MW or more of new generation is a utility company executive's dream. Add $20 billion or more to the company rate base, hopefully serve 8,000 MW of new steady large load demand, pass any risk on to base rate customers, and have the PSC give it their blessing. What could be better? So what if the mega data center demand does not materialize as expected or only partially materializes. Base rate payers will be the Company's financial safety net for any miscalculations or poor judgment if there is excess capacity and transmission. They bailed out the Company for Vogtle Units 3 and 4. What could go wrong when the Company plans to increase its generation capacity by over 50% in 8 years, based on promises from a new industry where most of the development is for speculative projects. Sounds like a great business plan.

So what if the historical annual demand growth was only 100 MW until 2022. So what if the only binding commitment the new large load customers must make is signing a two-page document selecting the Company as their electric service provider. That ought to be good enough for anyone to base investing in 200 MW or 500 MW of new capacity, transmission, and infrastructure. So what if most of the new data center projects are operating on a speculative "Field of Dreams" business model; if you build it, they will come. Plus there is the new rule which says existing customers won't have to pay these new large load customer costs, and all PSC Commissions for eternity are bound to uphold that rule and never change it. What could go wrong?

Plenty. Anyone with any business sense can see multiple red-flags for this whole scenario of enormous growth in a few years to serve a new industry based on developing technology. To instill a more rational business approach to serving a speculative growing new industry the Company needs to assume some exposure or risk that the decisions they are making will not adversely affect existing customers. That can be done, not by a rule that can be eliminated in 30 days, but by limiting or restricting returns on excess capacity and transmission. Without financial checks overbuilding the electric infrastructure is a positive, not negative, development for the Company. It means a greater rate base and higher earnings, a massive reserve margin, and possible surplus power that can be resold by Southern Power at market rates.

If the Company has no financial skin in the game it means all the financial pain and suffering will ultimately be borne by base ratepayers. Good business decisions always involve a reciprocal amount of risk in comparison to the reward. The risk of overbuilding is diminished by the possibility of not being able to receive a return on the investment. Exercise some business common sense.

II. The Biden Era Environmental and Energy Rules and Policies Will Be Terminated or Drastically Limited by the Trump Administration and Neither Georgia Power Company Nor the Georgia Public Service Commission Should Subject Ratepayers to Costly Programs No Longer Mandated by Government Decree

The Georgia Public Service Commission could be the first state utility commission to ignore the new Trump Administration mandates regarding energy and environmental policy by continuing the Biden Era policies that are going to be changed or eliminated. When the Biden rules and policies that made coal generation uneconomical are eliminated the recently retired coal plants should be reactivated if they provide a more economic generation alternative than building new natural gas combined-cycle units or utility scale solar combined with battery storage.

The prematurely retired zombie coal plants may be dead in that they no longer generate power, but they still live as depreciable assets that are included in the Company's rate base. These generation assets can provide an immediate and affordable source of generation to meet the unprecedented load growth the Company expects from new large load customers and data centers. Reactivating prematurely retired coal units that are an available and economic alternative to new more expensive generation alternatives is a rational and logical solution, especially considering the Trump Administration's upcoming reversal of Biden era policies that limited electrical power resources and drove up consumer prices.

Anyone who reads a newspaper or other news source knows the EPA will be issuing new policy directives before this IRP is concluded reshaping America's energy policy. This Commission can either align its energy policies with the new federal policies or it can defend the expensive and uneconomic policies. Does this Commission defend the old Biden policies or support the revised Trump energy policies?

A. The Commission Should Follow the Example of all Georgia Retail Utilities Which Have Not Implemented Demand Side Management Programs but Have Relied Upon Market Forces to Encourage Customers to Properly Allocate Cost to Efficiency Measures

Georgia Power Company is the only electric utility in Georgia that has a demand side management program. No other electric utility has a customer funded demand side management program. The other Georgia electric utilities rely upon market forces to properly incent their customers to implement self-funded and self-directed energy conservation measures to reduce their demand and energy costs.

Georgia electric utility customers not served by Georgia Power are very aware of their electric energy costs and respond accordingly to implement energy conservation measures that effectively help reduce their electric energy usage through economic measures based on the individual customer's particular usage profile and pattern. These energy conservation measures address the unique energy consumption profile of the customer, are self-funded, and do not seek or demand government imposed financial subsidies from other customers. Market forces and common sense determine if and how a customer chooses to reduce their electric consumption and costs. This self-directed and self-funded program would also work with Georgia Power Company's customers who are just as capable and intelligent as other Georgia electric customers to make the right demand side investment decisions to help lower their energy demand and costs.

B. All Georgia Power Company Customers, Not Just Industrial Customers, Should Have the Right to Opt-Out of the Demand Side Management Program

All Georgia Power customers, not just large industrial customers, should have the right to opt out of the demand side management program. Not allowing every customer

this right to opt out of the program is discriminatory based on customer size and class. Relying only on its own authority, this Commission has exempted the largest Georgia Power Company customers from the demand side management program since the inception of the program based solely upon an unsubstantiated assertion, they will implement energy conservation measures based on economic incentives. The industrial class of customers is not unique or gifted with special rational skills to know what measures are economic to implement to lower their operational costs by reducing energy consumption. All customers have these same cognitive abilities and skills, and the Commission should give all customers the right to decide whether to opt in or out of the demand side management program.

Every Commissioner should ask themselves whether it is right, just, or fair for a low-income customer who is struggling to pay their Georgia Power bill and take care of their family to subsidize the few customers who receive financial or other incentives under the demand side management program. The DSM advocates, including the Company, believe government coercion should be used to force low-income and financially challenged customers to pay a monthly fee to subsidize benefits for other customers should insist ALL customers pay the DSM monthly fee or allow ALL customers the right to opt out of the program.

The tired old argument that lower energy demand will help all customers does not justify the class discrimination that adversely affects low-income customers the most. Based on recent rate increases by the Commission there is no support at all for the claim that lower energy demand will lower costs. Just the opposite is true. Lower energy demand has no impact on lowering costs for customers served on base rates based on the Commission's decisions for the past several years.

III. The Commission Has Publicly Declared That Serving New Data Centers Will Not Burden Existing Ratepayers and This Principle Should Be Applied to Other Georgia Power Policies and Rates, Such as Demand Side Measures, Electric Vehicle Programs, and Rooftop Solar

The Commission's declared public position that new data center costs will not burden existing ratepayers should be applied equally to other Georgia Power policies and rates, such as demand side measures, electric vehicle programs, and rooftop solar. All these programs should be self-sustaining based on individual participant support rather than relying upon massive government mandated subsidies from other customer classes, especially low-income customers on fixed incomes. No low-income customers will be adversely affected when they lose their subsidy for their electric car or truck, because they don't own any. Low-income customers cannot afford the expensive, virtue-signaling, status symbol vehicles that more affluent customers can afford. The same goes for the rooftop solar program. How many low-income customers who are trying to scrape by from day to day can afford to invest $15,000 or $20,000 to install rooftop solar? None.

WHEREFORE, Resource Supply Management requests the Commission adopt and implement RSM's recommendations as follows:

1. Shift the financial risk and cost of any new generation and transmission to serve new large load customers on only those customers;
2. Limit and restrict returns on excess capacity and transmission;
3. Implement the Trump Administration policy changes regarding energy and environmental rules and policies, and eliminate Biden era mandates that drove up energy costs;

4. End or limit all demand side management programs by allowing all customers to opt out of the program and payment of the DSM rider, and;
5. Reactivate recently retired fossil plants to reduce the need to build 8,500 MW of new generation capacity and lower costs to all rate classes.

Respectfully submitted this 25th day of April, 2025.

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(By RBB with express permission)

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Certificate of Service

I hereby certify that the foregoing **Resource Supply Management Interim Brief** was filed electronically in Dockets 56002 and 56003 with the Georgia Public Service Commission's Executive Secretary Office. An electronic copy of same was served upon all parties listed below by electronic mail, unless otherwise indicated, and addressed as follows:

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