Docket No. 55931 Georgia Power Company's Application for Certification of Plant Yates Units 8-10

Public Interest Advocacy Staff's First Semi-annual Report

Status as of February 28th, 2025

Executive Summary

This Report presents the Public Interest Advocacy Staff's ("PIAS"[1]) status of Georgia Power Company's ("Georgia Power" or "Company") Plant Yates engineering, procurement, construction, and start-up of Units 8, 9, and 10 simple combustion turbines. During this monitoring period, among other activities, Staff has issued several data requests for information, received many documents from the Company via informal requests, attended the site's monthly Consortium report out meetings, walked the site down monthly, held technical meetings with Company personnel monthly, and performed independent analyses.

It is Staff's opinion, based on the information received from the Company and performing independent analyses, that Plant Yates' Units 8, 9, 10 are currently on schedule and within the Commission Approved Budget. However, with any project of this size and complexity, there will be challenges that the Project will need to address. At this time, based on Staff's review of the Project's Risk Program, Change Control Program, and review of each risk, Staff believes that there should be sufficient contingency to maintain the budget at or below the Commission Approved Budget.

One area of concern recognized by both Staff and the Company is the overall need to improve the quality and completeness of Project reporting. For example, the Engineering, Procurement, and Construction Agreement ("EPC") dictates that certain information should be present in the Consortium's Integrated Project Schedule ("IPS"), and certain means and methods should not be used by the Consortium in its IPS. Staff communicated their concerns to the Company. The Company is addressing these issues through the prescribed process detailed in the EPC and via challenge sessions with Consortium Leadership.

The review of the key Benchmarking documents demonstrated evidence of sufficient details to establish a sound Project Baseline. Staff believes that the Company's PEP, and other documents, requires an additional level of detail, which the Staff is working through with the Company by issuing Data Requests and holding technical meetings with Company personnel to gain a complete understanding of the Project status and forecasts.

Authority

[1] S. Roetger, N. Hall, T. Newsome, J. Schneider, M. Gitonga, W. Threatt, R. Somuah, G. Batra of GPMA, LLC

On October 27th, 2023, under docket number 55378, the Company filed applications to seek approval of Georgia Power's 2023 Integrated Resource Plan Update ("2023 IRP Update"), Certification of the Power Purchase Agreements with Mississippi Power Company and Santa Rosa Energy Center LLC, and an Amended Certification of the Residential Thermostat Demand Response Demand Side Management Program with the Commission. As part of the 2023 Integrated Resource Plan ("IRP") update, the Company requested authority to develop, own, and operate up to 1,400 MW from three simple cycle Combustion Turbines ("CT") resources at Plant Yates as described in this IRP Update and the Technical Appendices. *See 2023 IRP Update P. 4* During the pendency of the hearing a Stipulation was agreed to by the PIAS, the Company, and several additional intervenors, including approval for the construction of three CTs at Plant Yates as part of the Company's 2023 IRP Update. *Order Adopting Stipulation, Stipulation, Item 12, P. 19*

On January 31, 2024, under Docket No. 55378, the Company filed its Application for Certification of the three CTs self-build at Plant Yates. Subsequently on May 8th, 2024, the Commission approved the Procedural and Scheduling Order, Georgia Power Company's 2023 Integrated Resource Plan Update, Application for Certification of Plant Yates Units 8-10. Upon completion of the hearing process, the Commission granted the Company's Certification of Public Convenience for Plant Yates Units 8, 9, and 10, the required transmission interconnect, and the installation of a natural gas lateral to tie into the gas transmission pipeline. The Commission also Ordered the following: "that Georgia Power Company will file semi-annual construction monitoring reports from the date construction begins through the date of commercial operation and that the construction monitoring program recommended by Staff is approved and shall be implemented in accordance with the filed testimony of Staff Witness Roetger." *Order P.10* The Company and PIAS agreed that for ease and convenience a separate docket number was to be established for the monitoring of the Plant Yates Project. All monitoring filings and reports are therefore filed under docket number 55931.

The Benchmarking (aka Baselining) Process

Benchmarking a project is the first step in a comprehensive monitoring process. The primary intent is to understand the fundamental drivers of a project and then drill down to a level of detail commensurate with the relative risk associated with this Project. Generally, the process started with reviewing of the key Project documents that define the scope, budget, IPS, EPC and the Project Execution Plan ("PEP"). The output from the Benchmarking process is a Project Baseline. The Project Baseline is then used to monitor the Project for changes. Establishing the Benchmark and monitoring against it continues throughout the Project execution with the testing of Project processes specified in the PEP. For example, invoice backup documentation was reviewed, and findings were discussed with the Company.

By understanding the fundamental programs and procedures, and establishing a financial baseline, a schedule baseline, with a myriad of other points of reference[2], Staff can perform meaningful variance analyses for the duration of the Project. Material variances[3] are further investigated by performing root cause analyses of the events in near-real time to ensure the appropriateness of variances.

[2] Refer to Staff Date Request STF-3R1 for a more complete list of documents reviewed by Staff.
[3] Or a series of similarly caused variances that total to a material variance.