

BEFORE THE PUBLIC SERVICE COMMISSION

STATE OF GEORGIA

In Re:	:	
	:	
GEORGIA POWER COMPANY'S	:	DOCKET NO. 56002
2025 INTEGRATED RESOURCE PLAN	:	
UPDATE	:	
	:	
AND	:	
	:	
GEORGIA POWER COMPANY'S 2025	:	DOCKET NO. 56003
APPLICATION FOR THE	:	
CERTIFICATION,	:	
DECERTIFICATION,	:	
AND AMENDED DEMAND-SIDE	:	
MANAGEMENT PLAN	:	

DIRECT TESTIMONY OF PRIYA BARUA AND R. BRENT ALDERFER
ON BEHALF OF CLEAN ENERGY BUYERS ASSOCIATION

May 2, 2025

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I. Introduction and Summary of Recommendations.

Q: Please state your names, titles, and business addresses.

A: My name is Priya Barua. I am Senior Director, Market and Policy Innovation, for the Clean Energy Buyers Association (CEBA). My business address is 1501 M St NW, Suite 900, Washington, DC 20005.

A: My name is R. Brent Alderfer. I am Board Chair of New Energy Economics (NEE). My business address is 6312 Meetinghouse Rd, New Hope, PA, 18938.

Q: Ms. Barua, please summarize your education and professional experience.

A: I have been with CEBA since 2019. I became the Director of Market and Policy Innovation in 2021 and was elevated to Senior Director in 2024. In my current role I oversee CEBA's Market Access Initiative, which is focused on increasing customer access to cost-effective, reliable clean energy, particularly in the Southeast and West regions, where customers do not have access to organized wholesale markets and are therefore more restricted in the ways in which they can procure clean energy. Previously, I worked at the World Resources Institute (WRI) for almost 8 years, where I worked with energy customers to develop the Renewable Energy Buyers' Principles¹ in 2014, which outlined six principles that customers are looking for from utilities and other suppliers when buying clean energy from the grid. This was signed by 75 corporate signatories. I then helped establish WRI's work on green tariffs. This work included tracking and analyzing utility green tariff programs that emerged across the country, starting with the first publication of *Emerging Green*

¹ <https://cebuyers.org/programs/education-engagement/buyers-principles/>.

1 *Tariffs in U.S. Regulated Electricity Markets* in 2014, and supporting subsequent iterations
2 of that publication and associated maps, including the transfer of these resources to CEBA
3 when I joined CEBA in 2019. I also fostered collaborations between utilities and large
4 energy buyers in traditional, regulated markets, to develop customer clean energy programs
5 that support an efficient and economic transition to clean energy resources, through
6 customer-utility leadership forums between 2014-2018. This work included establishing
7 and leading the Special Clean Power Council (CPC) for Utilities and Buyers,² a two-year
8 initiative with six large investor-owned utilities and eight large commercial and industrial
9 customers. I also authored the publication: *Implementation Guide for Utilities: Designing*
10 *Renewable Energy Products to Meet Large Energy Customer Needs*³ in 2017. I have a
11 Masters degree in Public Policy from the Harvard Kennedy School and a Bachelor of Arts
12 degree from Brandeis University.

13 **Q: Ms. Barua, have you previously provided testimony before the Georgia Public Service**
14 **Commission (Commission)?**

15 A: Yes. I testified on behalf of CEBA in Georgia Power's 2023 Integrated Resource Plan
16 (IRP) Update proceeding, Docket No. 55378.

² <https://www.wri.org/initiatives/special-clean-power-council-customers-utilities-cpc>.

³ <https://www.wri.org/research/implementation-guide-utilities-designing-renewable-energy-products-meet-large-energy>.

1 **Q: Ms. Barua, have you previously provided testimony in any proceedings before other**
2 **regulatory commissions?**

3 A: Yes. I testified before the Louisiana Public Service Commission in Docket No. U-36697,
4 regarding the design of a new green tariff proposed by Entergy Louisiana.

5 **Q: Mr. Alderfer, please summarize your education and professional experience.**

6 A: I have a law degree from Georgetown University and an electrical engineering degree from
7 Northeastern University.

8 I am Board Chair of New Energy Economics, a policy think tank offering analysis
9 on energy policy options and the underlying economics of decarbonizing electricity
10 generation.

11 I am also the cofounder and CEO of Community Energy, a company that developed
12 utility-scale solar generation starting in 2010. We developed several gigawatts of utility-
13 scale solar early in the commercialization of that technology for utilities across the country,
14 bringing the price down to compete in competitive bidding. As an example, we developed
15 the Butler Solar project here in Georgia, which was selected by Georgia Power through a
16 competitive bid process and included in its 2015 energy portfolio. The project was
17 purchased in 2015 by Southern Power, a subsidiary of Southern Company. By 2021 we
18 had developed several gigawatts of solar projects and built a pipeline of about 10 gigawatts
19 (GW) of solar projects under development. At the end of 2021 we sold the solar
20 development company to AES Corporation, a global diversified energy company rapidly
21 expanding its renewable energy assets. I have no financial interest in AES or in solar project
22 development.

1 In the decade prior to 2010 we developed utility-scale wind farms as that
2 technology improved its economic competitiveness. We originated early wind projects
3 with voluntary green pricing programs in partnership with 15 different utilities. As prices
4 came down for utility-scale wind we developed larger wind projects and by 2005 had about
5 a 2-gigawatt pipeline of projects under development. We sold the wind development
6 company in 2006 to Iberdrola, a Spanish utility and largest owner of renewable energy at
7 the time. I worked with Iberdrola as it entered the U.S. market with additional development
8 of wind generation. Iberdrola now owns eight utilities in the U.S. serving about three
9 million customers, including Avangrid. I have no financial interest in Avangrid or wind
10 development.

11 Prior to starting in wind and solar development, I was a Commissioner on the
12 Colorado Public Utilities Commission. Prior to that I practiced law in corporate and
13 commercial practice in Denver and Philadelphia.

14 **Q: Mr. Alderfer, have you previously provided testimony before the Commission?**

15 A: Yes, I testified in the Georgia Power 2023 Fuel Cost Recovery Case, Docket No. 44902.

16 **Q: Mr. Alderfer, have you previously provided testimony in any proceedings before**
17 **other regulatory commissions?**

18 A: Yes. In 2024, I testified before the North Carolina Utilities Commission in the consolidated
19 Carbon Plan and Integrated Resource Plan (CP-IRP) of Duke Energy.

20 **Q: Please describe CEBA.**

21 A: CEBA is a business trade association that activates a community of energy buyers and
22 partners to advance low-cost, reliable, carbon emissions-free global electricity systems.

1 CEBA's more than 400 members represent more than \$20 trillion in market capital and
2 include institutional energy customers of every type and size – corporate and industrial
3 companies, universities, and cities, as well as project developers and service providers.
4 CEBA's membership includes one-fifth of the Fortune 500 companies and some of the
5 largest buyers of clean energy that conduct business operations across the United States
6 and in Georgia, including customers of Georgia Power Company (Georgia Power).
7 CEBA's corporate and industrial members include companies across a variety of sectors
8 including information technology, data centers, auto manufacturing, clean energy
9 manufacturing, heavy industry, food and beverage manufacturers, financial institutions,
10 restaurants, hotels, retail chains, and more. CEBA's members have ambitious clean energy
11 commitments, and many of these members now consider, if not prioritize, their ability to
12 access clean energy when determining where to locate new facilities and which existing
13 facilities to expand.

14 **Q: What is the purpose of your Direct Testimony?**

15 A: The purpose of our Direct Testimony is to provide analysis and recommend improvements
16 to Georgia Power's proposed Customer Identified Resource option, which Georgia Power
17 proposed as part of the Clean and Renewable Energy Subscription (CARES) Program. The
18 Customer Identified Resource proposal, if modified by our recommendations, has the
19 potential to provide a revenue-neutral solution to help meet Georgia Power's urgent
20 capacity needs while also meeting the clean energy needs of large customers that are
21 looking to expand business operations in Georgia. We also recommend pathways for
22 bringing Customer Identified Resources online sooner so that they can contribute to

1 meeting Georgia Power's urgent capacity needs. Finally, we provide analysis regarding
2 Georgia Power's proposal to limit the bill credit values that subscribing customers can
3 receive through the CARES program and Customer Identified Resource option.

4 **Q: Please summarize your recommendations to the Commission.**

5 A: We recommend that the Commission:

- 6 • Direct Georgia Power to allow large customers to bring forward Customer
7 Identified Resources on a rolling basis after the conclusion of this IRP, or, in
8 the alternative, direct Georgia Power to initiate its proposed Phase II process to
9 procure Customer Identified Resources as part of the ongoing 2023 CARES
10 request for proposals (RFP) or the upcoming 2025 CARES RFP.
- 11 • Direct Georgia Power to credit customers that subscribe to clean firm Customer
12 Identified Resources for the avoided marginal capacity value of those resources.
- 13 • Direct Georgia Power to allow multiple customers to coordinate to bring
14 forward and subscribe to a single Customer Identified Resource.
- 15 • Approve Georgia Power's proposal to allow customers to negotiate directly
16 with developers or to sign subscription agreements with higher prices to offset
17 higher PPA costs for Customer Identified Resources.
- 18 • Direct Georgia Power to allow customers to subscribe to any type of carbon-
19 free energy generation technology through the Customer Identified Resource
20 option.

- Direct Georgia Power to allow existing customers to subscribe to up to 5,000 MW of Customer Identified Resources to support their existing loads and not to impose any cap on the amount of clean firm Customer Identified Resources procured to support new and incremental loads.
- Affirm that the current Commission-approved CARES bill credit structure protects non-participating customers and so it is not necessary to establish “reimbursement thresholds” or otherwise cap bill credits for the CARES program and the Customer Identified Resource option.

II. CEBA’s Proposal and Letter Agreement with Georgia Power in the 2023 IRP Update.

Q: What will you address in this section of your testimony?

A: In this section of our testimony, we will provide important background and context for our recommendations. We first describe the demand for clean energy among large energy customers like CEBA’s members and the reason the Commission should take these customers’ clean energy needs into account in this proceeding. We then describe CEBA’s proposed “bring-your-own clean energy supply” option in Georgia Power’s 2023 IRP Update, Docket 55378. Finally, we describe the Letter Agreement that Georgia Power and CEBA signed in Docket 55378, which is attached to our testimony as Attachment A. Georgia Power’s commitments to CEBA in the Letter Agreement were the impetus for CEBA signing the Stipulation that resolved the 2023 IRP Update.

1 **Q: Please describe the role that large voluntary energy customers have had in clean**
2 **energy development in the U.S.**

3 A: Since 2014, more than 230 commercial and industrial (C&I) energy customers have
4 voluntarily procured over 100 GW of clean energy in the U.S., which is equivalent to
5 approximately 41% of all wind and solar capacity added to the U.S. grid during that time.⁴
6 In 2024 alone, C&I customers announced a record-breaking 21 GW of new clean energy
7 deals. There are now 54 GW of corporate-backed clean energy projects operating across
8 the country.⁵

9 **Q: Why should the Commission account for large energy customers' demand for clean**
10 **energy in this proceeding?**

11 A: Many large energy customers, including CEBA's members, have ambitious sustainability
12 and clean energy commitments that require them to reduce the carbon emissions profile of
13 their electricity consumption. Many of these large energy customers now consider, if not
14 prioritize, their ability to access clean energy when determining where to locate new
15 facilities and which existing facilities to expand. Many C&I customers have goals to match
16 100% of their energy consumption with clean energy. For example, approximately 58
17 CEBA members have committed to RE100, which is a global corporate renewable energy
18 initiative bringing together hundreds of large and ambitious businesses committed to 100%

⁴ This represents publicly announced procurement of clean energy by C&I customers through power purchase agreements (PPAs), green tariffs, bilateral deals with utilities, energy customer tax equity investments, and direct project ownership in the U.S. since 2014.

⁵ <https://cebuyers.org/blog/ceba-notes-landmark-100-gigawatts-of-clean-energy-procured-by-corporate-and-industrial-customers-since-2014/>.

1 renewable electricity.⁶ In addition, 98 members have set science-based emissions reduction
2 targets through the Science Based Targets initiative (SBTi).⁷ CEBA members purchase
3 clean energy through a variety of procurement mechanisms including virtual power
4 purchase agreements (PPAs), physical PPAs, retail contracts, onsite clean energy, and
5 utility green tariffs, depending on the market structure in a specific area. Many C&I
6 customers prefer to purchase energy from clean energy projects in the same state or region
7 as their operations, rather than sign virtual PPAs for projects located in other states, for
8 example. In Georgia, customers do not have access to retail choice or organized wholesale
9 markets and are therefore more restricted in the ways in which they can procure clean
10 energy. As a result, CEBA members' ability to meet their clean energy commitments is
11 largely tied to the emissions profile of the utility's resource mix and the availability of
12 customer clean energy programs offered by the utility for which they may be eligible.

13 **Q: Please describe the voluntary clean energy customer program that CEBA proposed**
14 **in the 2023 IRP Update.**

15 A: In Docket No. 55378, CEBA proposed a "bring-your-own clean energy supply" option or
16 "BYO clean supply" for shorthand. For simplicity, we will focus only on the off-site BYO
17 clean supply option because that is the proposal that formed the basis of the Letter
18 Agreement that CEBA reached with Georgia Power. CEBA presented this proposal as an
19 innovative and cost-effective alternative to Georgia Power's various proposals to meet its
20 near-term capacity needs from load growth with carbon-intensive resources.

⁶ See <https://www.there100.org/>.

⁷ <https://sciencebasedtargets.org/>.

As described in the Direct Testimony of Priya Barua in Docket 55378, CEBA's BYO clean supply proposal was for a program in which large C&I customers would have the ability to identify and bring dedicated clean energy resources to Georgia Power's system. Customers could work with a third-party developer to bring the proposed projects to Georgia Power, which Georgia Power would then procure on behalf of that customer.⁸ CEBA explained that this structure is known as a "sleeved PPA" model because Georgia Power would contract with the clean energy resource and the customer would pay Georgia Power for the full cost of the resource. Under the proposal, the customer would receive all environmental and financial benefits of the dedicated resource based on the resource's actual production. To clarify, this proposal was not intended to involve wheeling power from a dedicated resource to a specific customer. The intent of this proposal was to enable large customers to contribute resources to Georgia Power's system to help meet its sudden increase in electricity demand.

Q: Please describe the Letter Agreement in Docket No. 55378 between CEBA and Georgia Power.

A: The Letter Agreement between CEBA and Georgia Power (attached as Attachment A) states:

Georgia Power and CEBA agree that prior to the 2025 IRP, Georgia Power and CEBA will meet to discuss the development of a carbon free energy customer program, which Georgia Power will include in its 2025 IRP request, that would permit large commercial and industrial customers to (i) identify a carbon free energy resource, (ii) pay for any incremental costs of

⁸ See Direct Testimony of Priya Barua on behalf of Clean Energy Buyers Association, Docket No. 55378, at 14 (February 15, 2024).

1 the customer-sponsored resource, (iii) claim the renewable energy credits
2 and other environmental attributes, and (iv) receive hourly credits (Hourly
3 Credits) based on the Company's marginal cost of incremental generation,
4 as measured in kilowatt-hours (kWh).
5

6 As stated above, Georgia Power's commitment in the Letter Agreement was the impetus
7 for CEBA joining the Stipulation in the 2023 IRP Update.

8 **Q: Did Georgia Power and CEBA meet prior to the 2025 IRP to discuss the development**
9 **of a carbon-free energy customer program?**

10 A: Yes. Georgia Power and CEBA, including several CEBA members, met several times
11 during 2024 to discuss the program that Georgia Power committed to include in its 2025
12 IRP. CEBA appreciates the opportunity to collaborate with Georgia Power on the
13 development of this program. We will discuss Georgia Power's other commitments in the
14 Letter Agreement in the next section of our testimony.

15 **Q: Please explain why a new customer clean energy program is important and satisfies**
16 **a different set of customer needs compared to the existing CARES program.**

17 A: There are several reasons. First, large customers are interested in purchasing a variety of
18 carbon-free resources, including clean firm resources, while CARES is currently limited to
19 renewable resources and renewables paired with storage.

20 Second, the CARES program and Georgia Power's other existing green tariff
21 programs are subscription-based programs that have a limited amount of capacity available
22 from a portfolio of renewable resources for different types of customers to subscribe to.
23 For example, CARES has 900 megawatts (MW) designated for existing customers and
24 only 500 MW for customers with new load additions of at least 15 MW. Subscriptions are

1 allocated among interested customers on a pro-rata basis, meaning that many customers
2 may ultimately end up with a smaller subscription than they requested, and there is
3 uncertainty about the size of their subscription until the CARES RFP process is complete.

4 The new customer program that CEBA proposed would enable customers to buy
5 clean energy on a larger scale to meet their clean energy needs and provide customers with
6 more certainty that they will be able to match their loads with clean resources. Further,
7 many large customers want to bring forward clean energy resources more quickly than
8 Georgia Power's CARES program provides.

9 Many customers also aim to invest in clean energy resources located in or near the
10 communities where they have operations. For example, individual customers might want
11 to invest in a project that is located in the same county as their facility. While the CARES
12 program supports renewable energy development, customers in that program subscribe to
13 the entire CARES portfolio, rather than specific resources.

14 Additionally, many large C&I customers, including many of CEBA's members, are
15 sophisticated players in the market for clean energy supply and have extensive nationwide
16 experience and relationships with clean energy developers. Georgia Power's customers are
17 currently unable to leverage their expertise or their relationships through the CARES
18 program because customers do not participate in selection of resources for the program. By
19 leveraging customers' expertise and relationships, a "bring your own" option would
20 expand the pool of developers and development opportunities in Georgia to serve
21 customers' needs.

1 **III. Georgia Power’s Proposed Customer Identified Resource Option.**

2 **Q: What will you address in this section of your testimony?**

3 A: In this section of our testimony, we will describe Georgia Power’s proposal to implement
4 the customer program described by the Letter Agreement. We also identify key differences
5 between the Letter Agreement and Georgia Power’s proposal. We will recommend
6 improvements to Georgia Power’s proposal in the next section of our testimony.

7 **Q: How has Georgia Power proposed to implement the Letter Agreement with CEBA?**

8 A: Georgia Power has proposed a new option for customers to subscribe to a Customer
9 Identified Resource through its CARES program. Under Georgia Power’s proposal,
10 customers would be able to indicate interest in a Customer Identified Resource and work
11 directly with a developer to submit bids for Customer Identified Resources in a proposed
12 extended phase of Georgia Power’s Utility Scale RFP process that it uses to procure
13 renewable and storage-paired renewable resources for the CARES program. Georgia
14 Power has proposed to make its proposed extended phase or “Phase II” of the Utility Scale
15 RFP available only if necessary “to address customer needs that may remain after the
16 conclusion of Phase I.”⁹ Phase I consists of the primary RFP and evaluation process,
17 including a new opportunity for bidders to refresh their bid price and execute a contract
18 with Georgia Power if the refreshed bid price is “such that the net benefit of the project is

⁹ Direct Testimony of Dr. Ross Beppler, Carley Goff, A. Wilson Mallard, and Andy Phillips (hereafter, the Beppler, Goff, Mallard, Phillips Direct Panel) at 28:21-23.

1 equal to the average total net benefit of the Short List portfolio of resources originally
2 selected.”¹⁰

3 **Q: How would this Phase II process work under Georgia Power’s proposal?**

4 A: Georgia Power has proposed to extend the Utility Scale Renewable RFP to allow customers
5 to work with developers to submit bids for Customer Identified Resources. To be selected,
6 Georgia Power proposes to require Customer Identified Resources to “meet a price target
7 that ensures new projects will deliver a Net Benefit greater than or equal to the original
8 portfolio’s Total Net Benefits.”¹¹ Georgia Power also proposes to allow developers to
9 participate in this Phase II process independently and match their bids to customer
10 requests.¹² Georgia Power states that under its Phase II proposal, “customers would have
11 the option to propose specific renewable resources for procurement through a CIR option,
12 negotiating directly with developers, as well as the ability to subscribe to incremental
13 resources at higher subscription prices that offset higher PPA costs.”¹³ Finally, Georgia
14 Power confirms that the result of this proposed Phase II process will be “a PPA between
15 Georgia Power and the facility owner, and a corresponding CARES Customer Agreement
16 between Georgia Power and the subscribing customer. All RECs from these [Customer
17 Identified Resources] will be retired on behalf of the subscribing customer.”¹⁴

¹⁰ *Id.* at 29:13-17.

¹¹ *Id.* at 30:11-13.

¹² *Id.* at 30:13-16.

¹³ *Id.* at 37:20-23.

¹⁴ *Id.* at 37:24-27.

1 **Q: Is Georgia Power’s Customer Identified Resource process consistent with the Letter**
2 **Agreement?**

3 A: Not entirely. The most notable difference between the Letter Agreement and the proposed
4 Customer Identified Resource option is that the Letter Agreement describes a program for
5 “carbon-free energy resources,” whereas the CARES program is only open to renewable
6 resources (including renewables paired with storage). Renewable and storage-paired
7 renewable resources are of course carbon-free resources, but CEBA intended the term
8 “carbon-free energy resources” to include a broader variety of energy resources that do not
9 produce carbon emissions, including firm resources. The use of the more inclusive phrase
10 “carbon-free energy resources” was a crucial factor in CEBA’s decision to sign the Letter
11 Agreement and join the Stipulation in the 2023 IRP Update. As we will discuss in the next
12 section of our testimony, CEBA urges the Commission to clarify that the Customer
13 Identified Resource option will be open to any type of carbon-free energy resource.

14 **Q: Are there other inconsistencies between the Letter Agreement and Georgia Power’s**
15 **Customer Identified Resource proposal?**

16 A: Yes. In the Letter Agreement, Georgia Power committed to propose a “carbon-free energy
17 customer program.” Georgia Power has proposed the Customer Identified Resource option
18 as a new option within the CARES program rather than as a new, standalone program,
19 which is what CEBA was expecting based on the Letter Agreement language. The Letter
20 Agreement describes a program with distinct elements designed to meet distinct customer
21 needs compared to the existing CARES program. By bucketing the new Customer
22 Identified Resource proposal within CARES, the proposal is weakened in its ability to meet

1 these distinct customer needs and provide greater Total Net Benefits to Georgia Power
2 through a broader range of generation assets. As noted above, Georgia Power would only
3 move forward with its proposed Phase II process to procure Customer Identified Resources
4 if there are any customer subscription needs that remain after Phase I of the 2026 Utility
5 Scale RFP. This long delay is not consistent with the Letter Agreement. CEBA had
6 understood that the new “carbon-free energy customer program” agreed to in the Letter
7 Agreement would be available as soon as the Commission approved it (assuming it was
8 approved).

9 **Q: What do you recommend with respect to this issue?**

10 A: We recommend that the Commission find that Georgia Power’s proposed Customer
11 Identified Resource option is not consistent with and does not fully implement the Letter
12 Agreement between Georgia Power and CEBA and therefore fails to maximize the
13 potential benefits for the utility and customers.

14 **IV. Customer Identified Resources are a Revenue-Neutral Solution to Georgia**
15 **Power’s Capacity Needs.**
16

17 **Q: What will you address in this section of your testimony?**

18 A: In this section of our testimony, we will provide six recommended improvements to
19 Georgia Power’s Customer Identified Resource option. If adopted, these recommendations
20 will ensure that Customer Identified Resources can play a substantial role in helping
21 Georgia Power serve the unprecedented load growth it is facing while protecting non-
22 participating customers.

1 **Q: Before specifying your recommended improvements, do you have any high-level**
2 **observations on Georgia Power’s proposal?**

3 A: Yes. Georgia Power’s proposal is a step in the right direction but needlessly restricts large
4 customers’ ability to bring forward and pay for the clean energy projects and capacity
5 needed in a timely and efficient manner, which in turn limits the ability for customer-
6 sponsored resources to help meet Georgia Power’s urgent capacity needs. Under Georgia
7 Power’s proposal, customers would not be able to bring forward a Customer Identified
8 Resource until a second phase of the 2026 Utility Scale RFP for renewable resources,
9 which would not open until the first phase is complete.¹⁵ This long delay would limit the
10 effectiveness of the program and increase uncertainty for customers.

11 CEBA appreciates that Georgia Power will offer the opportunity for a customer to
12 sign a Customer Agreement that offsets potential higher PPA prices for a Customer
13 Identified Resource, and the Commission should recognize that this mechanism allows
14 Georgia Power to bring new clean resources online in a way that is revenue neutral and
15 benefits non-participating customers. In addition, to fully unlock the potential of Customer
16 Identified Resources, the Commission should direct Georgia Power to compensate
17 subscribing customers for the capacity value of any clean firm resources they invest in
18 (including all carbon-free technologies), allow multiple customers to work together to
19 subscribe to a single Customer Identified Resource, and increase the amount of capacity
20 available for procurement through the Customer Identified Resource Option.

¹⁵ *Id.* at 34:21-26.

1 a. *Given Georgia Power’s urgent need for capacity, the Commission should empower*
2 *customers to bring forward Customer Identified Resources at the earliest possible*
3 *opportunity.*
4

5 **Q: How much load growth is Georgia Power projecting?**

6 A: Georgia Power projects substantial near-term and long-term load growth. Specifically,
7 Georgia Power projects 8,205 MW of load growth between the winter of 2024/2025 and
8 the winter of 2030/2031, which it notes is more than 2,200 MW more growth than it was
9 projecting when it filed the 2023 IRP Update.¹⁶ Georgia Power expects up to 9,400 MW
10 of load growth over the next ten years and projects a capacity need of 9,000 MW through
11 2031.¹⁷ Meeting this load growth will be challenging by any measure. The Commission,
12 Georgia Power, and stakeholders should evaluate all viable “tools in the toolbox” that
13 Georgia Power can use to serve this load growth in the most cost-effective, clean, and
14 reliable way possible.

15 **Q: How much demand is there for clean energy resources from large energy customers?**

16 A: Demand for clean energy from large customers is high. Georgia Power reports: “Between
17 both the CRSP and CARES Notice of Intent (‘NOI’) periods from 2020 to 2024, Georgia
18 Power received more than 9,000 MW of customer interest to participate in these
19 programs.”¹⁸ Georgia Power also reports that the Company has so far brought online 777.5
20 MW of renewable resources to fill REDI and CRSP subscriptions, and it did not select any

¹⁶ Direct Testimony of Jeffrey R. Grubb, J. Randy Hubbert, M. Brandon Looney, Michael B. Robinson, and Francisco Valle (hereafter, the Grubb, Hubbert, Looney, Robinson, and Valle Direct Panel) at 13:4-7.

¹⁷ *Id.* at 13:8-9; IRP Main Document at 2.

¹⁸ IRP Main Document at 95.

resources through the 2023/2024 Utility Scale RFP.¹⁹ In other words, only a fraction of the 9,000 MW of customer demand has been met so far.

Further, in January of this year, a report commissioned by CEBA, “U.S. Corporate Carbon Emissions-Free Energy Demand Outlook,” found that nationwide, large customers are expected to demand a total of 275 GW of carbon-free energy resources by 2035, including 36 GW in the Southeast.²⁰

Q: How can Customer Identified Resources help Georgia Power serve its forecasted load growth?

A: Each of our recommendations will increase the ability of Customer Identified Resources to contribute to meeting load growth. A standalone program, with a prompt start date, efficient procurement processes, and incentives for capacity value, will enable participating customers to invest in clean firm resources that will meaningfully contribute to meeting energy and capacity needs. Perhaps most urgently, the Commission should direct Georgia Power to allow customers to bring forward Customer Identified Resources on a rolling basis or, alternatively, allow customers to bring forward Customer Identified Resources much earlier than Georgia Power has proposed.

¹⁹ *Id.*

²⁰ <https://cebayers.org/blog/new-report-corporate-demand-for-carbon-emissions-free-electricity-grows-to-275-gw-over-next-decade/#:~:text=Large%20companies%20are%20set%20to,in%20collaboration%20with%20Wood%20Mackenzie>.

1 **Q: Why should customers be allowed to bring forward Customer Identified Resources**
2 **on a rolling basis?**

3 A: As discussed above, Georgia Power has proposed to have customers wait to submit
4 Customer Identified Resources until Phase II of its planned 2026 Utility Scale RFP and
5 states that it “would initiate Phase II of its proposed process to procure up to an additional
6 3,000 MW by 2035.”²¹ The IRP does not specify a specific timeframe for when Phase II
7 would begin or how long the RFP will remain active for submission of Customer Identified
8 Resources.²² At hearing, Georgia Power Witness Mr. Mallard stated that the Phase II
9 Customer Identified Resource process would likely not begin until 2027 or later,²³ with the
10 result that projects would not be completed until well after 2027. This proposed timeline is
11 far too late, much later than CEBA anticipated based on the terms of the Letter Agreement
12 signed in Settlement of the previous IRP, and out of step with the current urgent demand
13 for new generation reflected in this IRP. Georgia Power’s proposal will prevent Customer
14 Identified Resources from contributing to Georgia Power’s near-term capacity need, with
15 the result that all Georgia Power customers will pay for the full cost of the resources needed
16 to meet this capacity need rather than allowing large customers to share in the cost of new

²¹ Beppler, Goff, Mallard, Phillips Direct Panel at 34:21-26.

²² In response to a data request asking Georgia Power to provide an estimated timeline for the extended RFP period that will be used to procure Customer Identified Resources, Georgia Power stated: “The Company has not finalized a timeline for the extended RFP period; however, the Company plans for the extended RFP period to start between Competitive Tier and Short List announcements. The extended RFP would conclude prior to bidding in the next Utility Scale RFP.” STF-PIA-3-2(c).

²³ Hearing Transcript Vol. 2 at 0933:6-8.

1 resources. This proposed timeline also provides an unclear path for large customers to meet
2 their clean energy commitments in a timely manner in Georgia Power's service territory.

3 Allowing customers to bring forward Customer Identified Resources on a rolling
4 basis on timelines that work for both the customer and the developer will allow subscribing
5 customers, non-participating customers, and Georgia Power to take advantage of project
6 opportunities when they become available. This approach will "smooth out" the
7 procurement process, allowing Georgia Power to serve incremental load as it comes online,
8 rather than the more traditional "lumpy" procurement processes that can result in a utility
9 having excess capacity for a time. Acquiring Customer Identified Resources on a rolling
10 basis can also reduce the risk of project failures that can occur during lengthy RFP
11 evaluation timelines and helps ensure Georgia Power can capture any incentives that may
12 be available at the time of procurement. Most importantly, providing a path for Customer
13 Identified Resources to come online sooner will allow them to contribute to meeting
14 Georgia Power's urgent capacity need sooner.

15 **Q: How would your proposal to allow customers to bring forward Customer Identified**
16 **Resources on a rolling basis comply with the Commission's competitive procurement**
17 **rules?**

18 A: CEBA strongly supports using competitive bidding processes to select system resources at
19 the most cost-effective prices for customers when all customers will pay the full cost of
20 those resources. However, while a Customer Identified Resource will serve system needs,
21 its incremental costs will be paid for by the subscribing customer. Requiring a project to
22 compete in an RFP or to meet a specified price established by a bidding process does not

1 serve any purpose when a customer is willing to pay for the full incremental cost of the
2 resource, which includes any “above market” costs. Georgia Power’s non-participating
3 customers will effectively pay only the value of the bill credits that subscribing customers
4 receive for new resources that would otherwise be more costly.

5 So that all of Georgia Power’s customers can enjoy these substantial benefits, the
6 Commission should find that its competitive bidding rules are satisfied by allowing large
7 customers to pay for the incremental cost of new Customer Identified Resources, either by
8 paying higher subscription prices or by “buying down” the price of Customer Identified
9 Resources. If the Commission finds that it needs to waive the competitive bidding rules to
10 allow this arrangement, then we recommend that it use its discretion and waive the rules
11 so that Georgia Power can take advantage of this opportunity, which will benefit all
12 customers. Alternatively, the Commission can find that Customer Identified Resources are
13 supply-side resources of “extraordinary advantage” and therefore qualify for the exception
14 to the competitive bidding rules for such advantageous resources.²⁴

15 In short, there are sufficient protections for non-participating customers built into
16 the design of the Customer Identified Resource option (as modified by our
17 recommendations) that it is not necessary to require Customer Identified Resources to
18 participate in an RFP process, which will only delay the ability of these resources to begin
19 providing benefits to all Georgia Power customers.

²⁴ Commission Rule 515-3-4-.04(3)(f)(3).

1 **Q: If the Commission does not allow customers to bring forward Customer Identified**
2 **Resources on a rolling basis, do you have an alternative proposal?**

3 A: Yes. Even if the Commission prefers that Georgia Power procure Customer Identified
4 Resources through an RFP process, it should direct Georgia Power to do so much sooner
5 than it has proposed. Specifically, it should direct Georgia Power to initiate its proposed
6 Phase II process to procure Customer Identified Resources as a follow-on phase to its 2023
7 CARES RFP, which is currently ongoing.

8 If this timing is not feasible, the Commission should direct Georgia Power to
9 initiate its proposed Phase II process as part of the 2025 CARES RFP that it plans to issue
10 in the second quarter of this year. Either of these timelines will enable Customer Identified
11 Resources to contribute to Georgia Power's near-term capacity needs and help satisfy large
12 customers' near-term demands for carbon-free energy.

13 **Q: Wouldn't initiating a Phase II process to procure Customer Identified Resources**
14 **through the 2023 CARES RFP or the 2025 CARES RFP compromise the integrity of**
15 **the competitive bidding process?**

16 A: Not at all. As one of us (Mr. Alderfer) is the CEO of a solar and wind development
17 company, we are confident that the developer community would not be harmed or
18 prejudiced by Georgia Power offering them additional opportunities to have their projects
19 selected through a Phase II procurement of Customer Identified Resources and in fact, that
20 they would welcome these opportunities. If the Commission does not require this change,
21 we expect that many projects that are currently in the early stages of development that are
22 not selected in these RFPs will simply rebid them in the planned 2026 Utility Scale RFP,

1 incurring carrying costs along the way. Given Georgia Power's urgent capacity need and
2 the many large customers seeking clean energy, there is no reason for delay. Also, since
3 subscribing customers pay any "above market" costs of the resources to which they
4 subscribe, there is no harm to non-participating customers from initiating a Phase II process
5 through the 2023 CARES RFP or the 2025 CARES RFP.

6 **Q: Is Georgia Power opposed to initiating the Phase II process to procure Customer**
7 **Identified Resources through the 2023 CARES RFP or the 2025 CARES RFP?**

8 A: It is our understanding that Georgia Power is open to this idea. At hearing, Georgia Power's
9 witnesses were asked about the feasibility of conducting a Phase II process for Customer
10 Identified Resources through the 2025 CARES RFP. Georgia Power Witness Mr. Mallard
11 responded that "each RFP stands on its own so I think changes could be made."²⁵ Though
12 changes to the 2023 CARES RFP were not discussed, CEBA greatly appreciates Georgia
13 Power's flexibility and willingness to initiate the Phase II process to procure Customer
14 Identified Resources through the 2025 CARES RFP.

15 **Q: Can Customer Identified Resources reduce the amount of new capacity that Georgia**
16 **Power needs to procure through other RFPs?**

17 A: Yes, and this is a significant benefit of allowing Customer Identified Resources to come
18 online sooner, either on a rolling basis or by initiating a Phase II process for the 2023
19 CARES RFP or the 2025 CARES RFP. The resources that Georgia Power will procure
20 through its ongoing and planned All-Source RFPs will be procured at full cost, meaning

²⁵ Hearing Transcript Vol. 2 at 0934:2-14.

1 that all Georgia Power customers will pay the full cost of the new resources. By contrast,
2 the costs that non-participating customers pay for Customer Identified Resources is equal
3 to the cost of the bill credits that subscribing customers receive because the subscribing
4 customers pay the incremental cost of the resources to which they subscribe.

5 Simply put, this program is a great deal for Georgia Power and its customer base.
6 The principal challenge facing Georgia Power in this IRP is securing enough new capacity
7 and related supply to reliably meet large projected demand. Adding additional generation
8 from technologies that might otherwise be ruled out based on cost at no additional cost to
9 ratepayers is a huge advantage. Georgia Power is competing with other utilities for
10 increasingly scarce natural gas and other resources and will also be subject to increasing
11 competition going forward for fuel and pipeline transport to supply those resources.
12 Bringing on additional generation backed by subscribing customers is a huge advantage in
13 this time of generation shortages regionally and nationally. Additionally, because the
14 subscribing customers pay the higher cost for carbon-free resources, non-subscribing
15 customers get the benefit of electricity that is not subject to fossil fuel price volatility for
16 the life of the generation. The more Customer Identified Resources – the incremental costs
17 of which are paid for by subscribing customers – Georgia Power can bring online, the less
18 exposure rate payers will have to rapidly increasing capital costs and shortages of turbines,
19 pipeline, capacity, and fuel supply that result from a less diverse fleet of resources. All
20 those benefits flow to non-subscribing customers, at no cost, regardless of whether they
21 share the sustainability goals that prompt the subscribing customers to pay for these
22 resources.

1 **Q: Please summarize your recommendations regarding the timing of the Customer**
2 **Identified Resource option.**

3 A: We recommend that the Commission direct Georgia Power to allow large customers to
4 bring forward Customer Identified Resources on a rolling basis after the conclusion of this
5 IRP. In the alternative, the Commission should direct Georgia Power to initiate its proposed
6 Phase II process to procure Customer Identified Resources as part of the ongoing 2023
7 CARES RFP or the upcoming 2025 CARES RFP.

8 *b. The Commission should encourage customers to bring high value capacity*
9 *resources by directing Georgia Power to compensate customers that subscribe to*
10 *clean firm Customer Identified Resources for the capacity value those resources*
11 *bring to the utility system.*

12
13 **Q: Has Georgia Power proposed to provide credit to customers for the capacity value of**
14 **Customer Identified Resources?**

15 A: No, not directly. Georgia Power has not proposed to compensate or credit subscribing
16 customers for the capacity value that their Customer Identified Resource brings to the
17 system. At hearing, Georgia Power Witness Mr. Mallard explained that customers that
18 subscribe to dispatchable clean resources, such as storage-paired renewable resources,
19 would receive higher hourly energy credits because these resources can be dispatched
20 during higher cost hours of the day.²⁶ We appreciate that Georgia Power's proposed hourly
21 energy credits will reflect the marginal cost of electricity produced during a given hour. As
22 Witness Mallard explained at hearing, each Customer Identified Resource would receive

²⁶ *Id.* at 0918:5-0919:1.

1 hourly energy credits in amounts dictated by its generation profile such that energy
2 produced during high-cost hours of the day would receive higher energy credits than during
3 low-cost hours.²⁷

4 However, energy costs are only part of the generation costs borne by ratepayers. A
5 credit for the additional capacity value brought onto the utility system by Customer
6 Identified Resources is necessary to ensure that customers bring much-needed capacity
7 resources through the Customer Identified Resource option.

8 **Q: Do customers want to subscribe to Customer Identified Resources with firm capacity**
9 **value?**

10 **A:** Yes. CEBA members, which include customers looking to expand operations in Georgia,
11 are interested in procuring clean firm resources through the Customer Identified Resource
12 option, including renewable resources paired with storage and other technologies such as
13 advanced nuclear and geothermal. These types of firm capacity have higher costs, are more
14 valuable to Georgia Power's system, and make a larger contribution to meeting the
15 challenges of Georgia Power's load growth. By not providing adequate incentives for firm
16 capacity, Georgia Power limits the ability of customers to invest in the resources that the
17 system needs most and that offer the best hedge to future rate increases. Not providing any
18 credit for firm capacity value prevents subscribing customers from recouping their
19 investment in these higher value projects. This would discourage large customers from
20 making such investments and squander the opportunity for the Customer Identified

²⁷ *Id.*

1 Resource program to make a larger impact in addressing Georgia Power's capacity needs.
2 Many customers with clean energy commitments recognize that Georgia Power requires
3 firm resources to power their operations and are willing to invest their own capital to
4 support the deployment of more firm resources that are carbon-free. Some customers are
5 even willing to help buy down the cost of more expensive clean firm resources like
6 advanced nuclear generation. In turn, these customers, as investors, reasonably expect a
7 return on their investments at a comparable level as the resources that would otherwise
8 need to be built to bring both energy and capacity to the system.

9 **Q: Does providing higher hourly energy credits to dispatchable clean resources**
10 **encourage large customers to invest in clean firm resources through the Customer**
11 **Identified Resource option?**

12 A: The ability to receive higher hourly energy credits for energy generated during high-cost
13 hours of the day is helpful but is incomplete and insufficient to encourage large energy
14 customers to invest in clean firm resources to provide capacity through the Customer
15 Identified Resource option.

16 **Q: Please explain.**

17 A: It is true that firm resources can be dispatched during hours with higher energy costs,
18 because firm resources are able to respond to load peaks when system capacity is already
19 highly utilized and operating at high marginal costs. The fact that these resources can be
20 dispatched during high-cost hours demonstrates that they are providing capacity to the
21 system at the time when it is needed. However, providing energy credits at the level of
22 Georgia Power's marginal hourly cost of electricity during higher cost hours of the day is

1 not sufficient to repay customer investments in firm capacity resources through
2 subscriptions in the Customer Identified Resource program.

3 The system's marginal costs at any given moment (also known as "system lambda")
4 is generally used to assess the hourly value of energy. We assume that a similar calculation
5 would determine the hourly energy credit for customers participating in this program.
6 System lambda is reflective only of the additional direct operating costs incurred by turning
7 on a marginal generator. The fact that this marginal generator is operational and on standby
8 for dispatch requires that previous capital costs and fixed operating costs have already been
9 incurred. These are "sunk" costs that are not changed whether the marginal generator is
10 dispatched at a specific moment or not.

11 In the long run, a new capacity resource will require all of these costs – capital
12 costs, fixed operating costs, and direct operating costs – to be paid in order to switch on at
13 the moment when it is needed. Using system marginal costs as the sole incentive for the
14 capacity value of clean firm resources therefore accounts only for operating costs and fails
15 to account for these other costs. Compensating subscribing customers for capacity value
16 based only on system marginal costs understates the true value of firm resources to the
17 system and risks under-incentivizing customers to sponsor such higher-cost and higher-
18 value projects through their subscription.

19 In addition to energy credits, a capacity credit for participating customers is
20 necessary to represent the avoided carrying costs of a new marginal firm resource that
21 otherwise would have been necessary in the absence of a clean firm Customer Identified
22 Resource.

1 **Q: Does Georgia Power provide a capacity credit to subscribing customers through its**
2 **CARES Carbon-Free Electricity Around the Clock (CFE-ATC) option?**

3 **A:** Yes, the CARES CFE-ATC option, which is designed to be supplied by renewables paired
4 with storage, provides a monthly avoided capacity credit as an offset to a customer's
5 subscription price. The CARES CFE-ATC tariff (Schedule: CFE-ATC-1) defines the
6 capacity credit a subscribing customer receives as follows: "Customer's pro-rata
7 subscription share in \$/kW of the CARES CFE-ATC Portfolio avoided or deferred
8 generation capacity." This capacity credit formulation may provide a model for a capacity
9 credit in the Customer Identified Resource program. However, it is important to clarify that
10 the Customer Identified Resource option does not, and should not, require 24-hour
11 availability.

12 **Q: How do you propose Georgia Power recognize the capacity value of clean firm**
13 **resources procured through the Customer Identified Resource option?**

14 **A:** As noted above, Georgia Power already calculates the avoided capacity value of bids
15 submitted in its CARES RFPs as part of its Total Net Benefits evaluation. This calculation
16 is based on a resource's effective load carrying capability (ELCC) and the annual carrying
17 cost of a combustion turbine (CT), converted to a \$/MWh equivalent value.²⁸ We propose
18 that Georgia Power compensate a customer that subscribes to a Customer Identified
19 Resource that has firm capacity value by providing a credit for the calculated avoided
20 capacity value against the customer's subscription price. As a more direct cost calculation,

²⁸ Georgia Power CARES 2023 Utility Scale Request for Proposals for Renewable Generation, December 22, 2023, at 77-78.

1 rather than converting the avoided capacity value to a \$/MWh equivalent value, Georgia
2 Power could apply the avoided capacity value in \$/MW-year as a credit against the
3 subscribing customer's monthly demand charges. Finally, we clarify that our
4 recommendation to credit subscribing customers for the avoided capacity value of the
5 resources to which they subscribe should only apply to resources with dispatchable
6 capacity value such as renewables paired with storage, and not to standalone variable
7 energy resources.²⁹

8 **Q: Should Georgia Power compensate subscribing customers for the capacity value of**
9 **the firm resources they subscribe to in all years?**

10 A: Yes, the Commission should direct Georgia Power to compensate customers for the
11 capacity value of the Customer Identified Resources they subscribe to starting in 2027,
12 which is the first year Georgia Power projects a capacity need for both of its planning
13 scenarios.³⁰ This urgent capacity need further illustrates the importance of allowing
14 customers to bring forward Customer Identified Resources as soon as practical.

15 Further, the Commission should require that Georgia Power fully account for the
16 capacity value of Customer Identified Resources when projecting and planning for its
17 capacity needs in subsequent IRPs. CEBA's motivation for proposing the concept behind
18 the Customer Identified Resource program was to provide a cost-effective solution to
19 Georgia Power's urgent capacity needs that triggered the 2023 IRP Update. To fully unlock

²⁹ We note that variable energy resources such as standalone solar provide capacity value, but we are not requesting that subscribing customers receive credit for this value in the Customer Identified Resource option.

³⁰ IRP Main Document at 61, Tables 8.1A and 8.1B.

1 the substantial potential of this program, it is critical both that Georgia Power recognize
2 the capacity value of firm Customer Identified Resources and compensate subscribing
3 customers for this value in one of the ways we have described. The Commission should
4 not allow Georgia Power to avoid compensating subscribing customers for the capacity
5 value of their firm Customer Identified Resources by arguing that it does not need capacity
6 during the relevant years.

7 **Q: If Georgia Power pays a subscribing customer for the avoided capacity value of its**
8 **Customer Identified Resource, won't that reduce the benefits that the resource brings**
9 **to the system?**

10 **A:** No. Paying the avoided capacity value to the subscribing customer will not reduce the
11 benefits that a clean firm Customer Identified Resource brings to the system. An avoided
12 capacity rate, especially an avoided capacity rate based on the carrying costs of a CT, is
13 typically the lowest possible rate that a utility could theoretically pay for capacity. This
14 type of avoided capacity rate does not necessarily reflect the actual price the utility will
15 pay to acquire capacity from new capacity resources. Through the Customer Identified
16 Resource option as modified by our recommended improvements, subscribing customers
17 will pay the full incremental cost of new clean resources, while Georgia Power will pay
18 the lesser avoided cost of the resources while enjoying the full value the resources provide
19 to the system.

1 **Q: Why is it important that the Customer Identified Resources option compensate**
2 **subscribing customers for the capacity value of the resource to which they subscribe?**

3 A: The Customer Identified Resource option has the potential to unlock substantial amounts
4 of large customer capital that these customers are willing to deploy to help meet Georgia
5 Power's capacity need with new clean firm resources. To achieve this potential, it is critical
6 that Georgia Power provide compensation to subscribing customers for the capacity value
7 of the resources they are supporting with their subscriptions.

8 **Q: Please summarize your recommendations regarding the avoided capacity value of**
9 **Customer Identified Resources.**

10 A: The Commission should direct Georgia Power to credit customers that subscribe to clean
11 firm Customer Identified Resources for the avoided capacity value of the resources through
12 a reduction in their subscription price or a credit against their demand charges.

13 *c. The Commission should allow multiple commercial and industrial customers to*
14 *bring forward and subscribe to a single Customer Identified Resource.*
15

16 **Q: How do customers currently subscribe to resources in the CARES program?**

17 A: In the CARES program as it is currently structured, eligible customers request to subscribe
18 to a specified amount of capacity from the CARES portfolio. Customers cannot currently
19 subscribe to a specific resource but rather subscribe to a portion of the entire CARES
20 portfolio, which is further split up between different classes of customers. A customer's
21 ultimate subscription level depends on how many customers request subscriptions and sign
22 customer agreements, with capacity shared among customers on a pro-rata basis. This
23 arrangement works well for many customers and CEBA supports the existing CARES

1 program; however, many customers are interested in accessing larger amounts of clean
2 energy and having input into the resource selection to meet their specific clean energy
3 commitments. The Customer Identified Resource option as Georgia Power has proposed it
4 would allow a customer to choose and subscribe to a specific, dedicated resource, which is
5 a feature that many large customers with clean energy commitments strongly support.

6 Further, the CARES program and previous Georgia Power renewable subscription
7 programs have historically had a higher demand for subscriptions than resources available
8 to supply those subscriptions, as described earlier in our testimony. It is our understanding
9 that Georgia Power uses a pro-rata process to allocate supply of CARES resources to
10 interested customers, with the result that many customers may be allocated less clean
11 energy than they need to meet their clean energy commitments. This results in uncertainty
12 for large customers about how much clean energy they will ultimately be able to purchase.

13 **Q: Should each Customer Identified Resource serve only one subscribing customer?**

14 A: No, there is no reason that the Customer Identified Resource option should limit each
15 resource to one subscribing customer. One advantage of the Customer Identified Resource
16 Option is that it will provide flexibility for large customers to subscribe to a specific
17 resource of sufficient size, or perhaps multiple resources of sufficient size, to meet their
18 clean energy needs. CEBA has members of all sizes who are interested in being able to
19 work with developers and choose a specific resource. Some C&I customers have energy
20 usage that is not quite large enough to justify subscribing to their own utility-scale resource.
21 The same flexibility and economies of scale benefits that the Customer Identified Resource
22 option provides should be available to these customers, as well.

1 **Q: Please explain how the Customer Identified Resource option can provide this**
2 **flexibility.**

3 A: Georgia Power should allow a group of customers to collaborate to bring forward or select
4 a single Customer Identified Resource to which they all subscribe. The group of customers
5 can decide amongst themselves how to split the capacity of the resource in a proportion
6 that meets their needs. For example, the group of customers could decide that 50 percent
7 of the project will be allocated to Customer A, 30 percent to Customer B, and 20 percent
8 to Customer C. The collaborating customers' subscription agreements and bill credits
9 would then reflect that allocation. Allowing such collaboration would allow smaller load
10 C&I customers to pool their demand and select larger clean energy projects with greater
11 economies of scale than they could on their own, which means that the projects will be
12 more cost effective than multiple smaller projects and provide more benefits both to the
13 subscribing customers and non-participating customers.

14 **Q: Do any other utilities allow multiple customers to work together to procure dedicated**
15 **clean energy resources?**

16 A: Yes. Dominion Energy's Voluntary Renewable Energy (VRE) Rider for Renewable
17 Generation (RG) Supply Agreements allows multiple customers to negotiate agreements
18 for separate quantities of energy and capacity from a single facility.³¹ Duke Energy's Green
19 Source Advantage (GSA)³² program also allows multiple customers to negotiate with a

³¹ Dominion Energy. [voluntary-renewable-energy-rider-for-renewable-generation-supply-agreements.pdf](https://www.dominion-energy.com/-/media/pdfs/voluntary-renewable-energy-rider-for-renewable-generation-supply-agreements.pdf).

³² Duke Energy Rider GSA. <https://www.duke-energy.com/-/media/pdfs/for-your-home/rates/electric-sc/scridergsa.pdf?rev=9835705c45fd40e2899ca24d0d597821>.

1 renewable supplier and share a single renewable facility of their choosing. In addition,
2 Rocky Mountain Power in Utah has a green tariff program (Schedule 34: Renewable
3 Energy Purchases for Qualified Customers 5,000 kW and over) that gives customers the
4 opportunity to share a dedicated resource. Six large customers used this program to
5 collaborate on an 80 MW solar project in 2020.³³

6 **Q: Does Georgia Power support allowing a small group of customers to collaborate on a**
7 **single Customer Identified Resource?**

8 A: At the hearing, Georgia Power Witness Mr. Mallard indicated that Georgia Power is open
9 to this modification, stating: “I don’t think the Company is opposed, conceptually, to
10 that.”³⁴ CEBA appreciates Georgia Power’s willingness to consider this programmatic
11 modification.

12 **Q: Please summarize your recommendation regarding allowing multiple customers to**
13 **subscribe to a single Customer Identified Resource.**

14 A: We recommend that the Commission direct Georgia Power to allow a group of customers
15 to coordinate to bring forward or select a single Customer Identified Resource.

³³ <https://www.rockymountainpower.net/about/newsroom/news-releases/rmp-contracts-to-deliver-renewable-energy-for-six-large-customers.html>.

³⁴ Hearing Transcript Vol. 2 at 0935:4-13.

1 *d. CEBA supports Georgia Power's proposal to allow customers to pay a higher*
2 *subscription price to offset higher PPA costs for Customer Identified Resources.*

3
4 **Q: How has Georgia Power proposed subscribing customers would pay for the cost of**
5 **their Customer Identified Resources?**

6 A: The IRP Main Document proposes that in the Phase II process for procuring Customer
7 Identified Resources: "Project developers and potential subscribers could work together to
8 submit bids into two additional submission windows priced at or below a target deemed
9 competitive with the original portfolio Total Net Benefits, with final pricing determined
10 after comprehensive bid and Transmission analysis."³⁵ Our understanding is that this
11 process would entail project developers and subscribing customers entering into separate
12 contracts so that the developer is able to submit the bid at the target price needed for
13 Georgia Power to accept the bid.

14 **Q: Do you expect large customers will be willing to enter into side agreements with**
15 **developers to "buy down" the cost of a project that the developers then bid to Georgia**
16 **Power?**

17 A: Such side agreements are likely feasible but would be rather unconventional in the industry.
18 We are not aware of other utility subscription programs that effectively require the
19 customer to sign contracts with both the developer and the utility.³⁶ Given Georgia Power's
20 stated need to determine final pricing after completing its transmission and bid analysis,

³⁵ IRP Main Document at 80.

³⁶ Developers often sign a REC sale contract with a customer and an energy sale contract with the utility for the same project. However, the side agreement that would be needed in this context would be unusual because the customer would not be receiving anything directly from the developer – Georgia Power would purchase the energy and the RECs from a Customer Identified Resource and retire the RECs on the customer's behalf. The customer would be paying the developer but would not be receiving anything directly from the developer.

1 we are also concerned that customers and developers would not have all the information
2 they need to ensure that their side agreement will result in a project that Georgia Power
3 accepts. While we appreciate that Georgia Power's intention with this proposal is to
4 provide flexibility, we are concerned that it introduces unnecessary risk and inefficiency.

5 **Q: Did Georgia Power clarify an alternative process for the Customer Identified**
6 **Resource option in its Direct Testimony?**

7 A: Yes. In testimony, Georgia Power explained that in the Phase II process, "customers would
8 have the option to propose specific renewable resources for procurement through a CIR
9 option, negotiating directly with developers, as well as the ability to subscribe to
10 incremental resources at higher subscription prices that offset higher PPA costs."³⁷ In other
11 words, a subscribing customer could pay the incremental cost of a Customer Identified
12 Resource through its subscription agreement with Georgia Power. This arrangement would
13 avoid the need for customers to enter into unconventional side agreements with developers
14 to "buy down" the cost of a Customer Identified Resource.

15 Georgia Power confirms that successful proposals in the Customer Identified
16 Resource process "will result in a PPA between Georgia Power and the facility owner, and
17 a corresponding CARES Customer Agreement between Georgia Power and the subscribing
18 customer."³⁸ This arrangement is also consistent with CEBA's recommendation in the
19 2023 IRP Update that Georgia Power implement a "sleeved PPA" structure in which
20 Georgia Power signs a PPA with a clean energy resource and then signs a corresponding

³⁷ Beppler, Goff, Mallard, Phillips Direct Panel at 37:20-24.

³⁸ *Id.* at 37:24-27.

1 agreement with the subscribing customer through which Georgia Power passes on the costs
2 and benefits of the resource to the customer.³⁹ This arrangement is also known as a “back-
3 to-back” PPA structure. (We note again that this arrangement does not require that a utility
4 physically deliver the energy from a customer-dedicated resource to the subscribing
5 customer.)

6 **Q: Do you recommend that the Commission reject the option for customers to negotiate**
7 **directly with developers to “buy down” the price of bids to which they want to**
8 **subscribe?**

9 A: No. As mentioned, we appreciate that Georgia Power’s intention here was to provide more
10 flexibility to customers and developers and it is possible that some customers will make
11 use of the opportunity to negotiate directly with developers.

12 **Q: Does the back-to-back PPA structure that Georgia Power proposes create any risks**
13 **for non-participating customers?**

14 A: No. In fact, this structure, in which subscribing customers pay the full incremental cost of
15 new clean energy resources and receive bill credits based on avoided or marginal costs,
16 provides a benefit to the rest of Georgia Power’s customers. Rather than foisting the full
17 cost of new resources on all of Georgia Power’s customers, the Customer Identified
18 Resource option will bring new clean energy resources to Georgia Power’s system that are
19 paid for in large part by the subscribing customer. Customer Identified Resources can be
20 expected to be revenue neutral and will certainly be cheaper for Georgia Power’s ratepayers

³⁹ Docket No. 55378, Direct Testimony of Priya Barua on behalf of CEBA at 14:4 – 15:2.

1 than comparable resources for which Georgia Power pays full cost. In this way, Customer
2 Identified Resources are a revenue-neutral solution to Georgia Power's urgent capacity
3 needs.

4 **Q: What are the implications of structuring the Customer Identified Resource option in**
5 **this way?**

6 A: Large customers' willingness to pay the incremental cost of PPAs through this structure
7 demonstrates that it is unnecessary to require Customer Identified Resources to go through
8 an RFP process. In other words, an RFP is not necessary to protect Georgia Power's non-
9 participating customers because the structure of the program itself protects them. As
10 discussed above, the Commission should direct Georgia Power to allow large customers to
11 bring forward Customer Identified Resources on a rolling basis.

12 **Q: Do you have any concerns with Georgia Power's proposal to allow customers to pay**
13 **a higher subscription price to offset higher PPA costs for Customer Identified**
14 **Resources?**

15 A: For the reasons discussed, CEBA supports this proposed structure for the Customer
16 Identified Resource option. However, Georgia Power has not provided any details on how
17 it proposes to calculate customers' subscription prices or how it would calculate the bill
18 credits that customers will receive. For the reasons just discussed, CEBA supports
19 designing the Customer Identified Resource option in a way that ensures that no costs of
20 the program are shifted onto non-participants, which will allow large customers to
21 contribute to meeting Georgia Power's capacity needs without contributing to rate
22 increases. CEBA recognizes that some details of the Customer Identified Resource option

1 will be worked out in a program-specific docket in the future (assuming the Commission
2 approves it) but would appreciate receiving any additional clarity Georgia Power can
3 provide in its rebuttal testimony on how it proposes to calculate subscription prices and bill
4 credits.

5 **Q: Please summarize your recommendation regarding the structure through which**
6 **customers will pay for the cost of their Customer Identified Resources.**

7 A: CEBA recommends that the Commission approve Georgia Power's proposal to allow
8 customers to contract directly with developers or to sign subscription agreements with
9 higher prices to offset higher PPA costs.

10 *e. The Commission should support energy innovation in Georgia by allowing all types*
11 *of carbon-free energy resources to participate in the Customer Identified Resource*
12 *option.*

13
14 **Q: What technologies has Georgia Power proposed would be eligible for the Customer**
15 **Identified Resource option?**

16 A: As discussed earlier, Georgia Power proposed the Customer Identified Resource option as
17 an option within the existing CARES program, which is only for renewable (including
18 standalone and storage-paired renewable) resources. Accordingly, our understanding is
19 that Georgia Power has proposed to limit the Customer Identified Resource option to
20 renewable and storage-paired renewable resources. As also discussed earlier, this limitation
21 is not consistent with the Letter Agreement between CEBA and Georgia Power from the
22 2023 IRP Update, which stated that this new offering would be a "carbon-free energy
23 customer program."

1 **Q: Should the Customer Identified Resource option be open to other carbon-free**
2 **technologies?**

3 **A:** Yes, for several reasons. First, Georgia Power already committed to CEBA that it would
4 propose a “carbon-free energy customer program,” not simply another option within the
5 CARES program. CEBA would not have signed the stipulation in the 2023 IRP Update if
6 Georgia Power had only offered an additional option within the CARES program that was
7 limited to renewable resources. Georgia Power clearly believed at the time it signed the
8 Letter Agreement that it would be feasible to offer a new carbon-free energy program, and
9 it made no attempt in the IRP Main Document or its direct testimony to argue that such a
10 program was infeasible.

11 Second, as also discussed earlier, large customers are willing to deploy their own
12 capital to support the deployment of new firm generation resources that are carbon-free.
13 The investments these customers are willing to make through subscriptions to Customer
14 Identified Resources will reduce the overall cost to all ratepayers of Georgia Power meeting
15 its rapidly growing capacity needs. Expanding the types of Customer Identified Resources
16 to which large customers can subscribe will increase the number of opportunities for these
17 investments that benefit all of Georgia Power’s customers.

18 Third, allowing customers to subscribe to any type of carbon-free generation
19 resource through the Customer Identified Resource option will support further energy
20 innovation in Georgia, enhancing Georgia’s leadership position in this space.

1 **Q: Given that the CARES program is designed around standalone renewable and**
2 **storage-paired renewable resources, how can Georgia Power allow customers to**
3 **subscribe to other types of generation resources through the Customer Identified**
4 **Resources option?**

5 A: Georgia Power does not need to procure Customer Identified Resources through the
6 CARES program. Instead, Georgia Power can and should offer a new standalone program
7 for Customer Identified Resources. Again, the Letter Agreement makes no mention of the
8 CARES program; rather, Georgia Power committed to propose a “carbon-free energy
9 customer program,” which implied a standalone program. As we have explained, the
10 Customer Identified Resource option is structured in such a way that there is no need to
11 procure Customer Identified Resources through an RFP. There is also no reason to require
12 Customer Identified Resources to be procured through an RFP that is only open to
13 renewable resources.

14 **Q: Please summarize your recommendations with respect to the generation technologies**
15 **that should be eligible to be Customer Identified Resources.**

16 A: The Commission should direct Georgia Power to allow customers to subscribe to any type
17 of carbon-free energy generation technology through the Customer Identified Resource
18 option.

1 *f. The Commission should increase Georgia Power's clean energy procurement*
2 *targets and uncap the Customer Identified Resource option for clean firm resources*
3 *matched to new and expanding loads.*
4

5 **Q: How much capacity has Georgia Power proposed to make available for the Customer**
6 **Identified Resources option?**

7 A: Georgia Power has proposed to procure up to 3,000 MW of additional renewables by 2035
8 based on customer demand through its proposed Phase 1 “buy down” process and Phase II
9 process for Customer Identified Resources.⁴⁰ It is our understanding that Georgia Power
10 has not proposed a specific amount of capacity for Customer Identified Resources.

11 **Q: Will 3,000 MW of Customer Identified Resources through 2035 be sufficient to meet**
12 **customer demands?**

13 A: No. As noted earlier, Georgia Power projects 8,205 MW of load growth by the winter of
14 2030/2031 and up to 9,400 MW of load growth in the next ten years.⁴¹ While we do not
15 know the exact proportion, many of the large customers and prospective customers driving
16 this load growth are CEBA members that have ambitious near-term clean energy
17 commitments. Many of these customers are willing to deploy their capital to support
18 carbon-free Customer Identified Resources to match both their existing loads and new
19 loads if the Commission provides them with the ability to do so. In addition, Georgia Power
20 reports that customers submitted NOIs for over 9,000 MW of renewables for CRSP and
21 CARES, which have not yet been fulfilled. While Georgia Power is in the process of

⁴⁰ Beppler, Goff, Mallard, Phillips Direct Panel at 34:21-23.

⁴¹ Grubb, Hubbert, Looney, Robinson, and Valle Direct Panel at 13:4-9.

1 conducting RFPs for 3,350 MW of renewables for CRSP and CARES⁴² and has proposed
2 to procure at least 1,000 MW through a 2026 CARES RFP, that represents less than half
3 of the demand Georgia Power received through previous NOIs. Based on Georgia Power's
4 reported demand, there is at least 4,650 MW of existing unmet customer demand for clean
5 energy resources, and this does not include additional demand from future large load
6 customers. As a result, we believe demand for Customer Identified Resources through 2035
7 far exceeds 3,000 MW.

8 Based on our conversations with CEBA members, we are confident that large
9 customer enthusiasm for a robust Customer Identified Resource program is high. Provided
10 the Commission adopts our recommended improvements to the program, Georgia Power
11 and the Commission can expect substantial customer demand to participate. We also expect
12 that establishing a robust Customer Identified Resource program will encourage large
13 customers to bring their operations to Georgia so that they can participate in the program.
14 Again, Customer-Identified Resources are a revenue-neutral solution to Georgia Power's
15 capacity needs, so the Commission should encourage as much of this need as possible to
16 be met with Customer Identified Resources.

17 **Q: How much capacity should the Commission allocate to the Customer Identified**
18 **Resource option?**

19 A: Georgia Power should allow customers to subscribe to up to 5,000 MW of Customer
20 Identified Resources to support their existing loads. For new or incremental loads,

⁴² IRP Main Document at 79.

1 however, the Customer Identified Resource option should be uncapped to allow customers
2 to match new loads with clean firm resources. In other words, a customer bringing new or
3 incremental load to Georgia Power's system should be allowed to bring forward and
4 subscribe to a sufficient amount of clean firm capacity to the utility's system through the
5 Customer Identified Resources option to support this new or incremental load entirely with
6 carbon-free energy resources.

7 **Q: What would be the benefit of uncapping the Customer Identified Resource option for**
8 **new customer loads matched with clean firm resources?**

9 A: There are two significant benefits. First, allowing large customers to match their new or
10 incremental loads with new, firm carbon-free energy resources would reduce the amount
11 of carbon-intensive capacity resources that Georgia Power would need to procure at full
12 cost. Second, it would provide a significant incentive to these customers to locate new loads
13 in Georgia. Third, for the reasons discussed earlier, Customer Identified Resources are
14 revenue-neutral for non-participating customers. Allowing customers to match their
15 incremental loads with clean firm Customer Identified Resources will ensure that bringing
16 new large loads to Georgia Power's system benefits and does not harm Georgia Power's
17 ratepayers.

18 **Q: Please summarize your recommendations with respect to the capacity that should be**
19 **available through the Customer Identified Resources option.**

20 A: The Commission should direct Georgia Power to allow large customers to subscribe to up
21 to 5,000 of Customer Identified Resources for existing loads and not to impose any cap on

1 the amount of clean firm Customer Identified Resources procured to meet new and
2 incremental loads.

3 **V. CARES bill credits should remain uncapped.**

4 **Q: What is Georgia Power proposing regarding modifications to the hourly energy bill**
5 **credit under the CARES program?**

6 A: Georgia Power is proposing to establish “reimbursement thresholds” for the hourly energy
7 bill credits that it provides to subscribers through its CARES program.⁴³ Under the current
8 program, participating customers that choose a pricing option based on PPA prices of the
9 CARES portfolio receive a bill credit for their share of the clean energy portfolio based on
10 the Company’s hourly operating costs of incremental generation per kWh⁴⁴ (equivalent to
11 system lambda, as discussed earlier). This structure currently allows customers to benefit
12 from fluctuations in the hourly incremental costs, particularly during high-price periods
13 (e.g., summer peak hours), and acts as a hedge against Real-Time Pricing (RTP) volatility
14 for RTP customers. While Georgia Power states that it has not fully developed its proposal
15 on this issue, Georgia Power Witness Mr. Mallard stated at hearing that Georgia Power
16 intends to “put a cap or a collar or further discount the amount that could be credited to the
17 customer, again, with the goal to protect non-participating customers.”⁴⁵ Our
18 understanding of this stated intent is that Georgia Power would limit subscribing
19 customers’ potential upside benefit from subscribing to CARES without providing

⁴³ Id. at 97.

⁴⁴ See Schedule CARES-1 at 11.70.

⁴⁵ Hearing Transcript Vol. 2 at 0966:10-16.

1 reciprocal limits on subscribing customers' downside risk – effectively shifting the risk
2 burden entirely onto participating customers. Such a proposal ignores the fact that an
3 additional motivation for some customers to subscribe to clean energy subscription
4 programs is the ability to hedge against future price fluctuations. Removing or limiting
5 customers' ability to hedge against price risks would discourage participation in the
6 CARES program and undermine its effectiveness as a clean energy procurement tool.

7 **Q: What are your primary concerns with Georgia Power's proposal to cap the CARES**
8 **program credit in this manner?**

9 A: The CARES program is a primary pathway for large commercial and industrial customers
10 to access utility-scale clean energy in Georgia. Any change that affects program economics
11 deserves close scrutiny by this Commission because of the potential to impact a broad
12 group of active and prospective participants. We are concerned that Georgia Power's
13 intended proposal would create asymmetric risks, undermine customers' ability to hedge
14 against price and price volatility risks, and reduce participation in the program.

15 **Q: Why would capping the bill credit subscribing customers receive through the CARES**
16 **program create asymmetric risks?**

17 A: Under the current program, subscribing customers pay for the full cost of their share of the
18 resources in the CARES portfolio and are compensated based on Georgia Power's hourly
19 incremental costs. Georgia Power has proposed a similar bill credit structure for the
20 Customer Identified Resource option. By committing to pay the full incremental cost of
21 the resources to which they subscribe, subscribing customers bear the risk that these

1 commitments are good investments. It is therefore both fair and reasonable for subscribing
2 customers to receive the full benefit of their subscriptions if Georgia Power's hourly
3 incremental costs one day exceed the cost of their subscriptions. Capping the bill credit
4 effectively eliminates the potential for any upside for subscribing customers, and yet
5 subscribing customers would be expected to continue paying the full incremental cost of
6 the resources to which they subscribe if Georgia Power's hourly incremental costs fall. In
7 short, the proposal would eliminate or cap customers' potential upside while customers
8 would retain the downside risk.

9 **Q: How would Georgia Power's proposal undermine a key RTP hedging tool?**

10 A: CARES currently provides an important hedge for customers on the RTP schedule because
11 high RTP energy prices often correspond with higher CARES bill credits during solar
12 generation hours. Capping the credit undermines this benefit and leaves RTP customers
13 more vulnerable to price spikes without corresponding compensation.

14 **Q: Why would Georgia Power's proposal reduce program participation?**

15 A: In addition to fulfilling their clean energy commitments, many large energy customers
16 participate in subscription programs like CARES because they offer at least the opportunity
17 to mitigate future price increases. Capping the bill credit would make the CARES program
18 much less attractive for clean energy buyers, reducing enrollment and customer
19 investments in Georgia. Large energy customers that have flexibility as to where to locate
20 or expand their facilities may choose to focus on other states that offer the ability to support
21 clean energy development and mitigate future price increases.

1 **Q: Why is it important for the Commission to address this issue in the IRP?**

2 A: We recognize that Georgia Power has set forth only a conceptual proposal to limit
3 subscriber bill credits and has not proposed the details for how such a proposal would work.
4 However, the Commission’s decision will set the strategic direction for discussions and
5 stakeholder negotiations around how to establish bill credit values for the CARES program
6 moving forward. To avoid undermining the success of the CARES program and to ensure
7 that the Customer Identified Resource option is successful, the Commission should affirm
8 that the current CARES bill credit structure protects non-participating customers and so it
9 is not necessary to establish “reimbursement thresholds” or otherwise cap bill credits for
10 the CARES program.

11 **Q: Won’t rejecting Georgia Power’s proposal increase risks to non-participating**
12 **customers?**

13 A: No. The CARES program as currently designed protects non-participating customers by
14 ensuring that subscribing customers pay the full incremental costs of the resources to which
15 they subscribe. The current bill credit structure does not impose any risks on non-
16 participating customers and Georgia Power has not argued that it does. As the saying goes,
17 “If it isn’t broken, don’t fix it.” Moreover, the current CARES bill credit structure should
18 be presumed to be just and reasonable because the Commission approved it in Docket No.
19 44847.⁴⁶ CEBA simply asks the Commission to affirm that the current CARES bill credit
20 structure protects non-participating customers.

⁴⁶ Order Approving CARES Program, Tariffs, and Agreements with Modification, January 17, 2023, Docket No. 44847.

1 **Q: Please clarify the relationship between this issue and the Customer Identified**
2 **Resource option.**

3 A: As discussed above, we recommend that the Commission direct Georgia Power to provide
4 avoided capacity credits to customers that subscribe to clean firm Customer Identified
5 Resources. With respect to energy credits, however, we support the general concept that
6 customers that subscribe to Customer Identified Resources should receive hourly energy
7 credits based on Georgia Power's incremental cost of generation, which is how the CARES
8 program currently works. Aside from the "reimbursement threshold" proposal, it is our
9 understanding that the only difference between the current bill credit structure for CARES
10 and the proposed bill credit structure for the Customer Identified Resource option is that
11 CARES subscribers receive credits based on the CARES portfolio while Customer
12 Identified Resource subscribers will receive credits based on the resource to which they
13 subscribe. It is also our understanding that Georgia Power has proposed "reimbursement
14 thresholds" for the bill credits both for the CARES program and the Customer Identified
15 Resource option. We recommend that the Commission reject this proposal for both.

16 **Q: What do you recommend with respect to this issue?**

17 A: We recommend that the Commission affirm that the current Commission-approved
18 CARES bill credit structure protects non-participating customers and so it is not necessary
19 to establish "reimbursement thresholds" or otherwise cap bill credits for the CARES
20 program and the Customer Identified Resource option.

1 **VI. Conclusion and Recommendations.**

2 **Q: Why should the Commission approve CEBA's recommended improvements to the**
3 **Customer Identified Resources option?**

4 A: The Customer Identified Resources option, as modified by our recommendations, provides
5 an extraordinary opportunity to unleash private capital to help Georgia Power meet its load
6 growth projections with carbon-free energy resources and in a revenue-neutral way. Many
7 of Georgia Power's largest existing and prospective customers are eager to subscribe to
8 Customer Identified Resources as soon as practical. The Commission should approve
9 CEBA's recommended improvements to the Customer Identified Resources option and
10 direct Georgia Power to implement it as soon as practical.

11 **Q: Do any of your recommended improvements to the Customer Identified Resource**
12 **option depend on the Commission adopting other recommendations?**

13 A: No. We strongly support each of our recommendations and respectfully request that the
14 Commission adopt all of them. However, each recommendation is designed to be
15 independent of the others. In the event the Commission is not inclined to adopt one of our
16 recommendations, it still can and should adopt the others.

17 **Q: Please summarize your recommendations to the Commission.**

18 A: We recommend that the Commission:

- 19 • Direct Georgia Power to allow large customers to bring forward Customer
20 Identified Resources on a rolling basis after the conclusion of this IRP, or, in
21 the alternative, direct Georgia Power to initiate its proposed Phase II process to

1 procure Customer Identified Resources as part of the ongoing 2023 CARES
2 RFP or the upcoming 2025 CARES RFP.

- 3 • Direct Georgia Power to credit customers that subscribe to clean firm Customer
4 Identified Resources for the avoided marginal capacity value of those resources.
- 5 • Direct Georgia Power to allow multiple customers to coordinate to bring
6 forward and subscribe to a single Customer Identified Resource.
- 7 • Approve Georgia Power's proposal to allow customers to negotiate directly
8 with developers or to sign subscription agreements with higher prices to offset
9 higher PPA costs for Customer Identified Resources.
- 10 • Direct Georgia Power to allow customers to subscribe to any type of carbon-
11 free energy generation technology through the Customer Identified Resource
12 option.
- 13 • Direct Georgia Power to allow existing customers to subscribe to up to 5,000
14 MW of Customer Identified Resources to support their existing loads and not
15 to impose any cap on the amount of clean firm Customer Identified Resources
16 procured to support new and incremental loads.
- 17 • Affirm that the current Commission-approved CARES bill credit structure
18 protects non-participating customers and so it is not necessary to establish
19 "reimbursement thresholds" or otherwise cap bill credits for the CARES
20 program and the Customer Identified Resource option.

1 **Q: Does this conclude your testimony at this time?**

2 **A: Yes.**

3



Via Alternative Electronic Filing

April 5, 2024

Sallie Tanner
Executive Secretary
Georgia Public Service Commission
244 Washington Street, 1st Floor
Atlanta, GA 30334

RE: Georgia Power Company's 2023 Integrated Resource Plan Update, Docket No. 55378

Dear Executive Secretary Tanner:

Please find attached this Letter Agreement with Georgia Power Company on behalf of the Clean Energy Buyers Association. A certificate of service is enclosed.

Please contact me with any questions about this filing. Thank you,

Sincerely,

/s/ Scott F. Dunbar
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April 3, 2024

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Re: Georgia Power Company's 2023 Integrated Resource Update, Docket No. 55378

Dear Mr. Dunbar:

The Georgia Public Service Commission ("Commission") Public Interest Advocacy Staff ("Staff"), Georgia Power Company ("Georgia Power" or the "Company"), Georgia Association of Manufacturers ("GAM"), and the Clean Energy Buyers Association ("CEBA") have executed the Stipulation that was filed on March 27, 2024, in the above styled docket ("Stipulation"), resolving all issues in the 2023 Integrated Resource Plan Update ("2023 IRP Update"). In addition to the specific terms addressed in the Stipulation, and in no way inconsistent or contradictory with those terms, this letter is intended to further memorialize the agreement between the Company and CEBA with respect to Georgia Power's consideration of additional renewable program options for large commercial and industrial customers.

Letter Agreement

Georgia Power and CEBA agree that prior to the 2025 IRP, Georgia Power and CEBA will meet to discuss the development of a carbon free energy customer program, which Georgia Power will include in its 2025 IRP request, that would permit large commercial and industrial customers to (i) identify a carbon free energy resources, (ii) pay for any incremental costs of the customer-sponsored resource, (iii) claim the renewable energy credits and other environmental attributes, and (iv) receive hourly credits (Hourly Credits) based on the Company's marginal cost of incremental generation, as measured in kilowatt-hours (kWh).

April 3, 2024
Page 2



The foregoing paragraph includes the entire agreement between Georgia Power and CEBA pursuant to this Letter Agreement.

A handwritten signature in blue ink, appearing to read "S. Dunbar".

Scott F. Dunbar
On Behalf of Clean Energy Buyers Association

A handwritten signature in blue ink, appearing to read "S. Hewitson".

Steven J. Hewitson
On Behalf of Georgia Power Company

BEFORE THE PUBLIC SERVICE COMMISSION

STATE OF GEORGIA

In Re:	:	
	:	
GEORGIA POWER COMPANY'S	:	DOCKET NO. 55378
2023 INTEGRATED RESOURCE PLAN	:	
UPDATE	:	

CERTIFICATE OF SERVICE

I hereby certify that I have served the following parties with the foregoing via electronic mail as follows:

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Dated: April 5, 2024

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