Southern Renewable Energy Association
11610 Pleasant Ridge Rd., Suite 103 #176, Little Rock, AR 72223

November 12, 2025

VIA ELECTRONIC DELIVERY

Ms. Sallie Tanner
Executive Secretary
Georgia Public Service Commission
244 Washington Street, S.W.
Atlanta, Georgia 30334

Re: Direct Testimony of Miriam Makhyoun on Behalf of Southern Renewable Energy Association in Docket Nos. 56298 and 56310

Dear Ms. Tanner:

Please find enclosed the **Direct Testimony of Miriam Makhyoun on Behalf of the Southern Renewable Energy Association** to be filed in Georgia Public Service Commission Docket Nos. 56298 and 56310 regarding Georgia Power Company's Applications for the Certification of Capacity from the 2029-2031 All-Source RFP and Supplemental Resources.

Please contact me at (501) 701-0874 or whit@southernrenewable.org if you have any questions regarding this filing. Thank you for your assistance with this matter.

Respectfully submitted,

Whit Cox
SREA Regulatory Director
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501-701-0874

Counsel for SREA

Enclosure
cc: All parties of record in this docket (*via e-mail*)

STATE OF GEORGIA

BEFORE THE

GEORGIA PUBLIC SERVICE COMMISSION

In Re:

Georgia Power Company's Application for the Certification of Capacity from the 2029-2031 All-Source RFP	**)**	**Docket No. 56298**

In Re:

Georgia Power Company's Application for the Certification of Capacity Supplemental Resources	**)**	**Docket No. 56310**

DIRECT TESTIMONY OF

MIRIAM MAKHYOUN

ON BEHALF OF

SOUTHERN RENEWABLE ENERGY ASSOCIATION

NOVEMBER 12, 2025

DIRECT TESTIMONY OF
MIRIAM MAKHYOUN

ON BEHALF OF

SOUTHERN RENEWABLE ENERGY ASSOCIATION

IN REGARD TO GEORGIA POWER COMPANY'S APPLICATION
FOR THE CERTIFICATION OF THE
2029-2031 ALL-SOURCE CAPACITY RFP POWER PURCHASE AGREEMENTS AND
COMPANY-OWNED PROPOSALS
DOCKET NO. 56298

AND

GEORGIA POWER COMPANY'S APPLICATION
FOR THE CERTIFICATION OF SUPPLEMENTAL RESOURCES
FOR 2028 – 2031 CAPACITY
DOCKET NO. 56310

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.

A. My name is Miriam Makhyoun, CEO of EQ Research. EQ Research is a consulting firm specializing in state- and utility-level rate design and resource planning. EQ Research's business address is 1155 Kildaire Farm Rd., Ste 203, Cary, NC 27511.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION?

A. No. This is my first time testifying before the Georgia Public Service Commission ("Commission").

Q. ON WHOSE BEHALF ARE YOU TESTIFYING?

A. I am testifying on behalf of the Southern Renewable Energy Association ("SREA").

Q. WHAT EXPERIENCE DO YOU HAVE WITH UTILITY RESOURCE CERTIFICATIONS AND PLANNING?

A. In my current role as the CEO of EQ Research, I served as an expert witness for Advanced Energy United in Wisconsin Docket # 6630-CE-317 addressing Wisconsin Electric Power Company's Application for a Certificate of Public Convenience and Necessity ("CPCN") for the South Oak Creek Combustion Turbine Project and for SREA in Kentucky Docket# 2021-00393 addressing Louisville Gas and Electric Company's and Kentucky Utilities Company's Integrated Resource Plan ("IRP"). I was also the principal author and analyst for Valley Clean Energy's (a California Community Choice Aggregator ("CCA") and load serving entity ("LSE")) 2022 IRP and assisted three CCAs with their 2020 IRPs submitted to the California Public Utilities Commission.

At Marin Clean Energy ("MCE") CCA, from 2017-2019, I successfully managed the 2018 energy storage Request for Proposals ("RFP"), negotiated multimillion-dollar contracts, and implemented advanced market forecasting strategies that resulted in significant cost savings. I was the lead on energy storage, carbon-free hydropower, and Asset Controlling Supply at MCE and I managed several long-term renewable energy contracts as well. It was my job to optimize the scheduling, delivery and terms for the buyer.

As an analyst in Portfolio Management at Pacific Gas and Electric Company from 2015-2017, I worked on both the transactions and the policy and compliance teams. I was involved in transactions for Congestion Revenue Rights, Resource Adequacy ("RA") capacity, Greenhouse Gas Allowances, and Qualifying Facilities ("QFs"). I personally executed over $22 million in RA capacity sales and purchases, managing every aspect from origination to negotiation to final sign-off, including RFPs.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. My testimony examines the following:

- Georgia Power's Application for the Certification of the All-Source Capacity Power Purchase Agreements and Company-Owned Proposals ("All-Source Application") submitted pursuant to O.C.G.A. § 46-3A-4 and Commission Rule 515-3-4-.07(5). This includes the Company-Owned Proposals ("COPs") selected in the All-Source RFP; the executed Power Purchase Agreements ("PPAs"); the Cost Expenditure and Estimated Annual Cost Table, the Engineering, Procurement, and Construction ("EPC") Agreements; the System Sale & Purchase Agreements for battery supply ("SPA"); and the Activities and Critical Path Schedules, filed on July 30, 2025.
- Georgia Power's Application for the Certification of Supplemental Resources for 2028-2031 Capacity ("Supplemental Resources Application") submitted pursuant to O.C.G.A. § 46-3A-4 and Commission Rules 515-3-4-.04(3)(f), 515-3-4-.07(2), 515-3-4-.07(5), and 515-3-4-.08. This includes the executed PPAs, Solar PPA Amendments, EPC Agreement, SPA, and Real Estate Purchase Option Agreement, filed on July 30, 2025.

Q. HOW IS YOUR TESTIMONY ORGANIZED?

A. Following this introduction, the remainder of my testimony is organized as follows:

- Section II discusses the All-Source RFP;
- Section III summarizes the resources selected through the All-Source RFP and Supplemental Resource Certification Processes;
- Section IV addresses bid security provisions used in the All-Source RFP;
- Section V addresses performance security provisions used in the All-Source RFP
- Section VI addresses change of law risk provisions used in the All-Source RFP; and
- Section VII concludes with recommendations concerning the Georgia Power's requests for certifications in these dockets and suggests changes to Georgia Power's RFP process.

Q. PLEASE SUMMARIZE YOUR TESTIMONY.

A. My testimony concludes overall that the procurement process imposed unnecessary financial and contractual barriers on independent renewable power developers and, as a result, was structurally biased toward Company-owned projects. As set forth in Section II, the participation of independent renewable and energy storage developers and sellers in the RFP was low, and Section III shows that Georgia Power selected company-owned projects for 85% of the awarded capacity in the All-Source RFP. Sections IV, V, and VI address specific impediments to Independent Power Producer ("IPP") participation. First, as shown in Section IV, Georgia Power's bid-security posting requirements – i.e., the money that bidders must provide just to be considered – were substantially higher, and were held for substantially longer, than those of peer utilities, discouraging participation by non-utility sellers. Second, Section V shows that performance security obligation for storage projects (i.e., the money that storage participants had to put at risk over the term of a PPA) was three to five times greater than required for comparable thermal resources. Third, Section VI addresses Georgia Power's change-of-law provisions (i.e., PPA terms that allocate risk for changes in tax and tariff laws that occur over the span of time that bids are being evaluated and finalized) shift essentially all regulatory risk to sellers through one-sided and ambiguous terms.

Finally, in light of these findings, Section VII concludes by recommending that, first, the Commission deny certification of the Wadley BESS project as a company-owned resource and instead require Georgia Power to add the Wadley project's 260 MW of capacity to the upcoming 2025 ESS RFP. Second, I recommend that the Commission direct Georgia Power to issue future RFPs with rebalanced bid- and performance-security requirements, modernized change-of-law provisions, and other safeguards to ensure that utility- and

third-party-owned resources are evaluated on fair and equal footing to deliver lower-cost, more competitive outcomes for Georgia ratepayers.[1]

II. THE ALL-SOURCE RFP

Q. WHY DID GEORGIA POWER ISSUE THE ALL-SOURCE RFP.

A. The Commission's Integrated Resource Planning ("IRP") Rules require Georgia Power to use an RFP process for each block of required new supply-side resources identified in the IRP Plan.[2] Specifically, Georgia Power issued the All-Source RFP pursuant to the Commission's 2022 IRP Order Adopting Stipulation in Docket No. 44160 ("2022 IRP Final Order").[3]

Q. PLEASE PROVIDE AN OVERVIEW OF THE ALL-SOURCE RFP.

A. The All-Source RFP aimed to acquire capacity resources that fulfill Georgia Power's identified capacity gaps, particularly focusing on:

- Standalone energy storage systems ("ESS") with grid charging capabilities;
- ESS paired with renewable resources and grid charging; and
- Thermal generation options, such as natural gas or oil-fired units.

Georgia Power included the following All-Source Pro Forma contract types in its RFP:[4]

- ESS with Renewable Resource PPA;[5]

[1] *See* Georgia Public Service Commission. (2025, July31). Order Adopting Stipulation, Docket Nos. 56002 & 56003 [final order filing # 223496), pg. 13 (directing Georgia Power to "issue an All-Source RFP for capacity needs in 2032-2033 in the first quarter of 2026").
[2] *See* Rule 515-3-4-.04 Identification of Capacity Resources (3)((b).
[3] Georgia Public Service Commission. (2022, July 29). Order Adopting Stipulation, Docket Nos. 44160-44161 [Final Order Filing #191010]. https://psc.ga.gov/search/facts-document/?documentId=191010
[4] Georgia Power Company (Georgia Power). (2024, June 20). 2029–2031 All-Source RFP Final Approved RFP Document and Pro Forma Contract (Document Filing #219130). Georgia Public Service Commission. https://psc.ga.gov/search/facts-document/?documentId=219130
[5] Georgia Power. (2024, June 20). 2029–2031 All-Source RFP ESS with Renewable Resource PPA. https://eq-research.sharefile.com/public/share/web-s59c90113147f46beb679a99aad74b080

- Standalone ESS PPA;[6]
- PPA for a Combined Cycle Facility;[7]
- PPA for a Combustion Turbine Facility;[8]
- Asset Purchase Agreement ("APA");[9] and
- Build Transfer Agreement ("BTA").[10]

Q. WHAT LEVEL OF PARTICIPATION BY RENEWABLE + ESS AND ESS-ONLY SELLERS WAS THERE IN THE ALL-SOURCE RFP?

A. Though Georgia Power received 54 offers,[11] the All-Source RFP had low participation levels from renewable + ESS and ESS-only sellers and no participation from SREA member companies. The exact participation levels are confidential. [12]

Q. TO WHAT DO YOU ATTRIBUTE THE LOW LEVEL OF PARTICIPATION BY RENEWABLE + ESS AND ESS-ONLY SELLERS IN THE ALL-SOURCE RFP?

A. Sellers objected that the structure of this RFP, including its bid security requirements and treatment of change of law risks, placed an uncompetitive burden on Independent Power Producers ("IPPs").[13] High bid security amounts, held for extended periods, act as a financial barrier for smaller or early-stage developers, especially when paired with inflexible performance security obligations. Further, restrictive dispatchability

[6] Georgia Power. (2024, June 20). 2029–2031 All-Source RFP Standalone ESS PPA. https://eq-research.sharefile.com/public/share/web-s3610a95157bf492d9589c32b6ed952d7
[7] Georgia Power. (2024, June 20). 2029–2031 All-Source RFP PPA for a Combined Cycle Facility. https://eq-research.sharefile.com/public/share/web-s090a6574aaca4694963ab3537597a2e3
[8] Georgia Power. (2024, June 20). 2029–2031 All-Source RFP PPA for a Combustion Turbine Facility. https://eq-research.sharefile.com/public/share/web-se756bf7864d240e78b97107c01e5ab59
[9] Georgia Power. (2024, June 20). 2029–2031 All-Source RFP APA. https://eq-research.sharefile.com/public/share/web-s0e81c3fbcffd4784bd207341efbb8f2c
[10] Georgia Power. (2024, June 20). 2029–2031 All-Source RFP BTA. https://eq-research.sharefile.com/public/share/web-s37734c07563342159808857c4941ea50
[11] Curylo, K. W., Grubb, J. R., & Looney, M. B. (2025, August 15). Direct testimony of Kristin W. Curylo, Jeffrey R. Grubb, and M. Brandon Looney in support of Georgia Power Company's application for the certification of the 2029–2031 All-Source Capacity RFP power purchase agreements and company-owned proposals and the application for the certification of supplemental resources for 2028–2031 capacity (Docket Nos. 56298 & 56310, p. 9). Georgia Power Company.
[12] *See* Georgia Power's Response to STF-PIA-1-2A.
[13] Georgia Power. (2024, June 11). All-Source Capacity RFP for 2029–2031: Comments and responses. https://eq-research.sharefile.com/share/view/s55d90e9fe5bb46bfb38b1fb268b4f56f

requirements, a lack of transparency into interconnection feasibility and costs, including Upgrade Security costs,[14] and creditworthiness and collateral rules[15] were also described as limiting participation by smaller or renewable-focused developers.

Q. WHAT EVIDENCE SUGGESTS THAT THE ALL-SOURCE RFP FAVORED UTILITY OWNERSHIP OF CAPACITY RESOURCES, RATHER THAN POWER PURCHASE AGREEMENTS FROM INDEPENDENT DEVELOPERS?

A. There is substantial evidence in the record indicating the All-Source RFP was structured in ways that heavily favored utility ownership of new capacity resources, with the percentage of utility ownership Winter capacity expected to grow to nearly 80% by 2031.[16] This significantly exceeds the 70% ownership threshold discussed in the 2001 IRP Final Order.[17] Notably, Georgia Power selected COPs for 85% of the awarded capacity in the All-Source RFP. Georgia Power's subsequent selection of only 14% of Company-owned resources in the Supplemental Procurement (and 86% of IPP-owned resources) strongly suggests that the absence of IPP awards in the RFP itself was a product of RFP design rather than IPP project availability.[18] Indeed, none of the renewable + ESS or ESS-only PPAs submitted in the All-Source RFP were selected, despite many of these same projects later being selected for Supplemental Procurement. Simply put, it appears companies other than Georgia Power were finally able to propose beneficial projects once the arbitrary barriers of the RFP were removed.

[14] Georgia Power. (2024, June 11). All-Source Capacity RFP for 2029–2031: Comments and responses. Comment 15 on pp. 7-8; Comment 64 on p. 145; Comment 47 on p. 167; Comment 48 on p. 168. https://eq-research.sharefile.com/share/view/s55d90e9fe5bb46bfb38b1fb268b4f56f

[15] Georgia Power. (2024, June 11). All-Source Capacity RFP for 2029–2031: Comments and responses. Comment 3 on p. 2; Comment 4 on pp. 42-43. https://eq-research.sharefile.com/share/view/s55d90e9fe5bb46bfb38b1fb268b4f56f

[16] *See* STF-PIA-3-3 Attachment, rows 46 and 47 of the "B2025 Winter MG0" tab and rows 44 and 45 of the "B2025 Summer MG0" tab for the percentage of capacity provided by PPAs and the percentage of capacity provided by Company-owned resources calculated on an annual basis for the season shown on the tab.

[17] Georgia Public Service Commission. (2001, July 17). Final order: Georgia Power Company application for approval of an Integrated Resource Plan (Docket No. 13305, p. 21). https://psc.ga.gov/search/facts-document/?documentId=48743

[18] The total capacity being requested for the All-Source and Supplemental CPCNs is 9,885.5 MW, of which 7,064.5 (71.5%) is proposed to be company-owned while the remaining 2,821 (28.5%) is comprised of PPAs.

Georgia Power also engaged in extensive bilateral discussions outside the RFP process, particularly to develop and prequalify Build-Transfer projects. These outside negotiations likely gave Company-owned options an advantage over third-party PPA bidders, who were required to comply strictly with formal RFP requirements and all form PPA terms.

Taken together, these facts show that the RFP as designed and implemented favored utility ownership and failed to solicit competitive proposals from IPPs.

III. SUMMARY OF SELECTED RESOURCES IN ALL-SOURCE RFP AND SUPPLEMENTAL CERTIFICATIONS

Q. PLEASE PROVIDE A SUMMARY OF THE RESOURCES SELECTED THROUGH THE ALL-SOURCE RFP AND SUPPLEMENTAL RESOURCE CERTIFICATION PROCESSES.

A. Pursuant to the 2022 IRP Final Order, Georgia Power conducted the All-Source RFP seeking capacity needed in the winter 2028/2029-2030/2031 period. Georgia Power issued the All-Source RFP on June 20, 2024, seeking to procure 8,500 megawatts ("MW") of capacity resources. The Company now seeks a CPCN from the Commission for 7,999.5 MW of resources selected in the RFP, which includes four thermal PPAs (collectively the "Thermal PPAs") comprising 1,195 MW of capacity, and the following "All-Source COP Projects": three thermal COPs for five natural gas combined cycle ("NGCC") units, nine standalone ESS COPs, and two ESS + Solar COPs, comprising 6,804.5 MW of capacity.

The breakdown of the selected resources from the All-Source RFP is as follows:

- Company-Owned Thermal (NGCC): 3,692 MW
- Thermal PPAs: 1,195 MW
- Company-Owned Energy Storage Systems (ESS): 2,762.5 MW
- Company-Owned ESS + Solar (ESS portion only): 350 MW

Taken together, the company owned resources listed above comprised 6,804.5 MW compared to 1,195 MW of PPA resources (i.e., 85% versus 15%, respectively). To address

capacity needs remaining after the All-Source RFP and Winter 2027/2028 ESS RFP, the Company also seeks a CPCN from the Commission for a 1,886 MW portfolio of supplemental resources that includes five ESS PPAs with NextEra Energy Resources ("NEER") entities and accompanying solar PPA amendments comprising 646 MW of capacity, an ESS COP and solar PPA amendment comprising 260 MW, a thermal PPA with Tenaska Heard County for 930 MW of capacity, and a PPA amendment with Mississippi Power Company ("MPC") amounting to 50 MW of capacity, to add additional MW for 2029 under the parties' existing contract (collectively, "Supplemental Resources").

The breakdown of the selected supplemental resources is as follows:

- NEER ESS PPAs: 646 MW
- Company-Owned (Wadley ESS COP): 260 MW
- Tenaska CT PPA: 930 MW
- MPC PPA: 50 MW

IV. BID SECURITY

Q. PLEASE PROVIDE AN OVERVIEW OF THE BID SECURITY REQUIREMENT FOR THE ALL-SOURCE RFP.

A. Bid security is a financial guarantee, usually in the form of a bond or deposit, submitted by a bidder to demonstrate their commitment to executing the contract if their bid is accepted. According to the RFP, the bid security amount "must equal the product of either: (i) 2% multiplied by the sum of the expected revenues during the PPA Term; or (ii) 2% of the purchase price for an APA or BTA Bid."[19] This amount must be posted within 15 business days of advancing to the Conforming List. It can be paid in cash, as a Surety Bond, or a

[19] Georgia Power. (2024, June 20). All-Source Capacity RFP for 2029–2031. Section 4.8.1. https://eq-research.sharefile.com/share/view/s90dc8d556d454f8a91ada4ead1020ac2

Letter of Credit (with pre-approval required for surety bonds and letters of credit).[20] If the bidder withdraws or fails to sign the PPA, the full amount is forfeited[21]

Q. HOW MUCH BID SECURITY WOULD BE REQUIRED FOR A SOLAR PLUS ESS PPA PROJECT?

A. A 100 MW solar + 60 MW (4-hour) ESS project must post $5.4 to $6.8 million in bid security for 4–8 months after being named to the Conforming List. This equates to $38/kW. See Appendix A for the full calculation.

Q. HOW MUCH BID SECURITY WOULD BE REQUIRED FOR AN ESS-ONLY PPA PROJECT?

A. A 100 MW standalone ESS project must post $4.8 million in bid security, or $48/kW, for the same Conforming List period. See Appendix B for the full calculation.

Q. HOW DOES THIS COMPARE TO BID SECURITY AMOUNTS REQUIRED BY OTHER UTILITIES?

A. Duke Energy Carolinas and Duke Energy Progress ("DEC & DEP") require a bid security that is approximately half of what was required by Georgia Power in the All-Source RFP for Solar-Only Resources. DEC and DEP's RFP for new solar resources requires all third parties to post proposal security of $20 per kilowatt ("kW") for solar-only projects or $28 per kW for projects that combine solar with ESS, with the higher amount required for projects that include both. The bid security amount is reduced by any earlier interconnection study payments already made. The deposit can be made using cash, a

[20] Georgia Power. (2024, June 20). All-Source Capacity RFP for 2029–2031. Section 4.8.3. https://eq-research.sharefile.com/share/view/s90dc8d556d454f8a91ada4ead1020ac2
[21] Georgia Power. (2024, June 20). All-Source Capacity RFP for 2029–2031. Section 4.8. https://eq-research.sharefile.com/share/view/s90dc8d556d454f8a91ada4ead1020ac2

surety bond, or a letter of credit.[22] Other utilities such as Avista,[23] Xcel Minnesota,[24] and Portland General Electric[25] do not require bid security at all.

Q. DO ANY OF GEORGIA POWER'S OTHER RFPS TREAT BID SECURITY DIFFERENTLY?

A. The 2025 CARES RFP bid security is 0.5% of total projected revenue or purchase price if the project is in the 2025 Annual Cluster Study or already has an Interconnection Agreement. For all others, the amount is 1.0%.[26] This is a substantial reduction compared to the 2.0% requirement in the All-Source RFP, and a marked improvement from the 2023 CARES RFP.

Q. PLEASE PROVIDE AN OVERVIEW OF STAKEHOLDER FEEDBACK ON GEORGIA POWER'S BID SECURITY REQUIREMENT.

A. Based on the June 2024 Comments and Responses Document,[27] sellers expressed clear concerns regarding the bid security requirements in the All-Source RFP. They found the bid security levels to be overly high, particularly for standalone storage and renewable plus storage projects, and objected that the high amounts disproportionately impact independent power producers and non-utility developers. Sellers viewed the bid security as a barrier to participation and noted that the security obligations were higher than those found in other comparable markets.

[22] DEC & DEP. (2025, July 31). 2025 RFP Document (p. 20). https://www.dukeenergyrfpcarolinas.com/2025-RFP-Documents
[23] Avista. (n.d.). 2025 All-Source RFP. Retrieved June 15, 2025, from https://www.myavista.com/about-us/integrated-resource-planning/2025-all-source-rfp
[24] Northern States Power Company (Xcel Energy). (n.d.). 2025 distributed solar energy standard RFP. Retrieved June 15, 2025, from https://mn.my.xcelenergy.com/s/renewable/developers/2025-dses-nspm-rfp
[25] Portland General Electric. (n.d.). Procuring clean energy. Retrieved June 15, 2025, from https://portlandgeneral.com/about/who-we-are/resource-planning/procuring-clean-energy
[26] Georgia Power Company. (2025, July 1). CARES 2025 Utility Scale RFP: RFP Document (Section 4.4.2, p. 28). https://eq-research.sharefile.com/public/share/web-s13615eb2596546ac83bfaf994d539b19
[27] Georgia Power. (2024, June 11). All-Source Capacity RFP for 2029–2031: Comments and responses #s 12 and 14 on pp. 6-7. https://eq-research.sharefile.com/share/view/s55d90e9fe5bb46bfb38b1fb268b4f56f

In response, Georgia Power acknowledged the feedback but did not reduce the bid security amounts. Instead, Georgia Power stated that the security levels are necessary to ensure serious bids and project execution. However, Georgia Power made a limited accommodation: it extended the timeframe for posting bid security by two weeks. Originally, bid security was due on the same day the Conforming List was posted. This adjustment allowed shortlisted bidders more time before needing to provide financial security, but did not alter the overall financial burden.

EQ Research interviewed market participants who indicated that the bid security amounts, particularly when combined with performance security, were excessive and acted as a deterrent to participation. They advocated for reduced bid security levels or a sliding scale based on project maturity or seller experience. Respondents also noted concerns with the transparency in how Georgia Power exercises discretion over acceptable collateral forms.

Direct Quotes from Sellers

Here are direct quotes from sellers regarding bid security:

On excessive bid security acting as a deterrent:

"The bid security required is excessive and discourages smaller developers from participating. Combined with performance security, the financial burden becomes untenable for many storage and renewable projects."

On advocating for a sliding scale:

"A sliding scale based on project maturity, developer track record, or project size would be a more equitable approach to bid security. The current flat requirement penalizes experienced and new developers equally, which is counterproductive."

On fairness and transparency regarding acceptable collateral:

"Georgia Power's sole discretion over what forms of collateral are deemed acceptable introduces unnecessary uncertainty and risk. Clearer standards and more flexibility, such as allowing more use of corporate guarantees, are needed to ensure fairness."

Q. PLEASE PROVIDE AN OVERVIEW OF TIME FROM BID SECURITY BEING DUE TO THE TIME WHEN BIDS ARE SELECTED.

A. After bids are submitted into Georgia Power RFPs, Georgia Power evaluates those projects over three or four separate phases: 1) the Conforming List[28]; 2) the Competitive Tier; 3) the Shortlist (aka Reserve List); and 4) Awarded contracts, at which time the Reserve List bid security is released.

Between the selection of the Conforming List and the selection of the Shortlist and Reserve List, bidders of Georgia Power's 2024 All-Source RFP could expect bid security to be held by Georgia Power for four to eight months for those who made the shortlist but did not receive an award.

The 2025 All-Source RFP bid security timing is an improvement from the 2023 Clean and Renewable Energy Subscription ("CARES") RFP, which came before it, but it is more time than the 2025 ESS RFP. The following RFP processes are compared below:

- 2023 CARES RFP:[29] Bid security could be held for up to 11 months if a bid remained on the reserve list until final contract awards in May 2025.
- 2024 All-Source RFP:[30] Bid security may be held for 4, 6 or 8 months, depending on whether the bid was released at the Competitive Tier, Shortlist, or contract phase, respectively.

[28] Not applicable to CARES RFPs.
[29] Accion Group. (n.d.). Georgia Power 2023 CARES RFP. Retrieved October 5, 2025, from https://Georgia Powercares23.accionpower.com/_Georgia Powercares_2301/calendar.asp
[30] Accion Group. (n.d.). All-Source Capacity RFP 2029–2031 Schedule. Retrieved October 5, 2025, from https://Georgia Power2029-2031all-sourcerfp.accionpower.com/_Georgia Power_2301/calendar.asp

- 2025 CARES RFP:[31] Bid security is held for at least 6 months, and potentially longer since final contract award timing is TBD.
- 2025 ESS RFP:[32] Bid security is held for 3 to 4 months.

See Table 1 for a comparison of the number of months bid security may be held in a sample of Georgia Power's RFPs.

Table 1. Comparison of Duration of Bid Security being Held in Georgia Power's RFPs

RFP	Conforming List	Competitive Tier	Bid Security Due	Shortlist	Contracts Awarded	Months Bid Security Held
2023 CARES RFP		4/10/2024	6/14/2024	2/14/2025	5/20/2025	8-11
2024 All-Source RFP	10/14/2024	3/14/2025	11/7/2024	5/16/2025	6/31/25	4-8
2025 CARES RFP		9/19/2025	10/3/2025	4/1/2026		6-N/A
2025 ESS RFP	3/16/2026	8/3/2026	8/24/2026	12/1/2026	1/1/2027	3-4

Q. DOES THE LENGTH OF TIME BETWEEN BID SUBMISSION AND CONTRACT EXECUTION PRESENT A CHALLENGE IN GEORGIA POWER'S RFP PROCESS?

[31] Accion Group. (n.d.). Georgia Power 2025 CARES RFP. Retrieved October 5, 2025, from https://gpccares25.accionpower.com/_gpccares_2401/calendar.asp

[32] Ascend Power Procurement Georgia Power 2025 ESS RFP Overview. Retrieved October 3, 2025, from https://procure.ascendanalytics.com/listing/e734cc30-de7e-4b89-a819-b81af076605b?tab=overview

A. Yes. Compared to other utility RFPs, Georgia Power's contracting timeline is unusually long. For example, the Massachusetts Clean Energy Storage RFP moves from bid submission (September 10, 2025) to contract execution (around March 26, 2026) in approximately six months,[33] and Xcel Minnesota's 2024 NSPM RFP requires contract negotiations to conclude within 6.5 months of bids being due (September 18, 2024, to April 1, 2025). [34] In contrast, Georgia Power's 12–15 month turnaround between bid submission and contract execution is significantly longer, creating uncertainty and imposing additional financial and operational burdens on IPPs

V. PERFORMANCE SECURITY

Q. WHAT IS PERFORMANCE SECURITY?

A. Performance security is posted by the seller to ensure performance of its obligations, and may be drawn upon if the seller fails to meet key milestones or terminates early without cause. It is only required for sellers who do not meet elevated credit worthiness standards. Georgia Power's All Source RFP sets eligible collateral per kilowatt (a form of financial security) that changes across 5-year contract periods as well as a pre-COD amount.[35]

Q. HOW DOES PERFORMANCE SECURITY DIFFER FOR PPAS BY TECHNOLOGY?

A. The All-Source RFP set ESS performance security levels more than 3x higher than for fossil units (CCs and CTs) in most periods and increased those levels over most of the 20-year PPA period, whereas performance security for CCs and CTs had a decreasing

[33] (2025, July 30). Final Order on Request for Proposals for 1,500 MW of Clean Energy Storage Projects (D.P.U. 25-59). Massachusetts Department of Public Utilities. https://eq-research.sharefile.com/public/share/web-sa6549dc95f224644bbb9447113c3ff53

[34] Northern States Power Company. (2024, June 28). 2024 NSPM Request for Proposals (p. 16). https://xcelnew.my.salesforce.com/sfc/p/#1U0000011ttV/a/8b000002gl2x/0l.Ay2gSRXdsJ6khPGGpGT80ErVm4t4VL4jNOospGK8

[35] Georgia Power. (2024, June 20). All-Source Capacity RFP for 2029–2031 (pp. 67-76). *Exhibit E – Attachment 1 – Performance Security and Termination Liquidated Damages Summary*. https://eq-research.sharefile.com/share/view/s90dc8d556d454f8a91ada4ead1020ac2

trendline overall. Here is how the relative performance security amounts compare for a 2027 COD / 25-year term scenario:

- ESS: starts at $295/kW in years 1-5 and peaks at $590/kW in years 16-20;[36]
- CC: starts at $120/kW in years 1-5 and peaks at $32/kW in years 11-15;[37] and
- CT: starts at $90/kW in years 1-5 and peaks at $11/kW in years 21-25.[38]

See Figure 1 for a graph demonstrating the difference in performance security by technology.

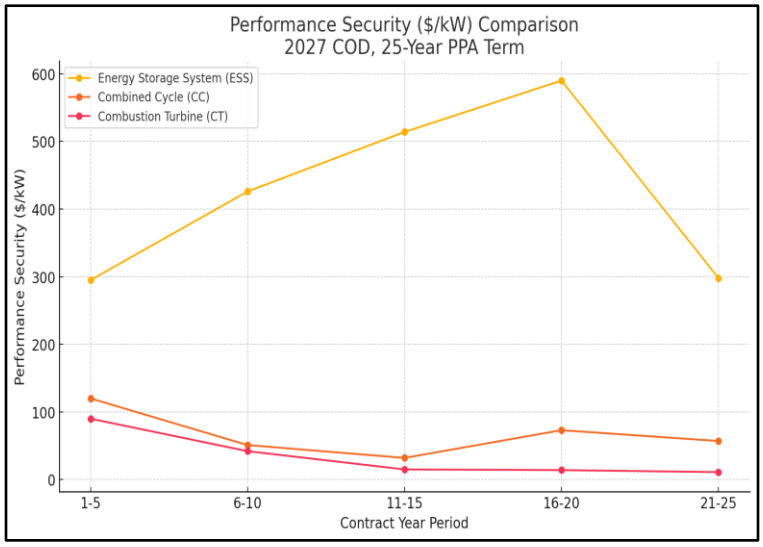


Figure 1. Performance Security by Technology in the All-Source RFP

Q. WHAT WAS MARKET PARTICIPANT FEEDBACK ON THE PERFORMANCE SECURITY AMOUNTS?

A. The June 2024 Comments and Responses Document[39] contains several objections that

[36] Georgia Power. (2024, June 20). All-Source Capacity RFP for 2029–2031 (pp. 68-70). *Exhibit E – Attachment 1 – Performance Security and Termination Liquidated Damages Summary*. https://eq-research.sharefile.com/share/view/s90dc8d556d454f8a91ada4ead1020ac2

[37] Georgia Power. (2024, June 20). All-Source Capacity RFP for 2029–2031 (pp. 71-73). *Exhibit E – Attachment 1 – Performance Security and Termination Liquidated Damages Summary*. https://eq-research.sharefile.com/share/view/s90dc8d556d454f8a91ada4ead1020ac2

[38] Georgia Power. (2024, June 20). All-Source Capacity RFP for 2029–2031 (pp. 74-76). *Exhibit E – Attachment 1 – Performance Security and Termination Liquidated Damages Summary*. https://eq-research.sharefile.com/share/view/s90dc8d556d454f8a91ada4ead1020ac2

[39] Georgia Power. (2024, June 11). All-Source Capacity RFP for 2029–2031: Comments and responses #s 16 and 17 on p. 8. https://eq-research.sharefile.com/share/view/s55d90e9fe5bb46bfb38b1fb268b4f56f

performance security was set too high and disproportionately high for ESS compared to other technologies. In response, Georgia Power did not alter the amount, but instead stated that *"*…ESS PPA Performance Security amounts are a reasonable pre-estimate of the costs GPC will incur to replace ESS capacity. Capacity replacement costs vary based on the technology that must be replaced, among other variables. ESS replacement capacity costs differ from thermal resources, and GPC may be exposed to different market capacity costs for the different resources."[40]

Q. DID GEORGIA POWER OFFER ANY EVIDENCE THAT ESS IS MORE EXPENSIVE TO REPLACE THAN THERMAL RESOURCES?

A. No, it did not.

Q. IS GEORGIA POWER CORRECT IN STATING THAT ESS IS MORE EXPENSIVE TO REPLACE THAN THERMAL RESOURCES?

A. Not over the lifetime of the facility. Solar plus storage has higher upfront costs but low to zero fuel and operating costs. If performance security is based only on overnight capital cost, these technologies are unfairly penalized compared to fossil resources like CTs, which have lower upfront costs but much higher lifetime operating costs. It is true that on an installed cost basis, ESS has historically been more costly to construct than CTs, according to data from the U.S. Energy Information Administration[41] and National Renewable Energy Laboratory.[42] See Table 2.

[40] Georgia Power. (2024, June 11). All-Source Capacity RFP for 2029–2031: Comments and responses #17 on p. 8. https://eq-research.sharefile.com/share/view/s55d90e9fe5bb46bfb38b1fb268b4f56f

[41] U.S. Energy Information Administration. (2025, April). Assumptions to the Annual Energy Outlook 2025: Electricity Market Module (p. 6). Retrieved from https://www.eia.gov/outlooks/aeo/assumptions/pdf/EMM_Assumptions.pdf.

[42] National Renewable Energy Laboratory ("NREL"). 2024. "2024 Annual Technology Baseline." Golden, CO: NREL. Overnight Capital Cost of an NG Combustion Turbine (F-Frame) – Moderate Case – 2026; and Utility-Scale Battery Storage - 4Hr – Moderate Case – 2026. https://data.openei.org/files/6006/2024_v3_Workbook.xlsx.

Table 2. Comparison of Installed Cost of Thermal and ESS Resources			
Technology	U.S. EIA (2026 $/kW)	NREL (2024 $/kW)	Average ($/kW)
CT	791	1,075	933
ESS	1,580	1,501	1,541

However, over the lifetime of the facility, thermal resources are more costly to replace than ESS or ESS + wind or solar. As shown below, the average Levelized Cost of Energy ("LCOE") of a natural gas peaking plant in Lazard's 2025 LCOE Analysis is often much higher than for standalone storage or Solar PV + storage without tax credits, especially when taking fuel cost volatility into account. Unsubsidized Solar PV + ESS is $88 to $131 per MWh cheaper than CTs, depending on the scenario. Gas peaking CTs are generally more expensive than unsubsidized standalone ESS at the low end of the cost spectrum (by about $23–34/MWh) and roughly comparable to slightly more expensive at the high end (by about $0–8/MWh), especially once fuel price sensitivities are included. This suggests that from a pure cost perspective, utility-scale solar paired with storage is far more competitive than building new combustion turbines, even before factoring in federal incentives, environmental impacts, or carbon regulations.

Lazard Cost of Energy ($/MWh)

Standalone ESS 100 MW 4-Hour (Unsubsidized): 115-254[43]

Solar PV + ESS – Utility (Unsubsidized): 50-131[44]

Gas Peaking: 149 - 251 or 138 - 262 with fuel price sensitivity[45]

[43] Lazard. (2025, June). 2025 Levelized Cost of Energy+ (p. 43). Retrieved from https://www.lazard.com/media/eijnqja3/lazards-lcoeplus-june-2025.pdf.
[44] *Id.* at 36.
[45] *Id.* at 36 and 10.

VI. CHANGE OF LAW RISK

Q. PLEASE PROVIDE AN OVERVIEW OF THE CHANGE OF LAW RISK PROVISIONS IN THE ALL-SOURCE RFP.

A. Change of law risk refers to the financial and contractual challenges that arise when a law, regulation, court interpretation, tax, duty, or requirement changes after a bid is submitted or a PPA is signed but before the project is financed for construction. This can materially alter a party's obligations, costs, or expected returns under a contract. The Change of Law provisions in the RFP and pro forma contracts impose significantly greater financial risk on third-party PPA providers than on utility-owned (COP or BTA) projects. While IPPs must absorb or justify cost increases through a narrow and uncertain adjustment process, Georgia Power can recover change of law-related costs through its regulatory rate structure, effectively socializing those risks to ratepayers. This structural asymmetry distorts competition by allowing utility-owned projects to bid more aggressively, knowing they have a cost recovery backstop not available to independent developers.

Here is how it is defined by Georgia Power for various contracts in the All-Source RFP:

- BTA: Change of Law is "the enactment, adoption, taking effect of, promulgation, modification, change, amendment, replacement, succession, or repeal, or change in application, after the Effective Date of any applicable law, including change in rates as it relates to laws imposing Taxes and Tariffs, or a petition, investigation or commencement of a proceeding seeking or in furtherance of the foregoing (provided that a petition, investigation, or proceeding will only constitute a Change in Law to the extent that it impacts Project Equipment that is being imported from outside of the U.S.); or (ii) the imposition of any material condition on the issuance or renewal of any applicable Permit occurring after the Effective Date."[46]

[46] Georgia Power Company. (2024, June 20). 2029–2031 All-Source RFP BTA (p. 10). https://eq-research.sharefile.com/public/share/web-s37734c07563342159808857c4941ea50

- ESS with Renewable Resource PPA, Standalone ESS PPA, PPA for a Combustion Turbine Facility, and PPA for a Combined Cycle Facility: Change of Law is "an applicable law enacted after the Effective Date that requires Seller to install additional or different equipment at the Facility or otherwise modify the Facility in order to comply with applicable law."[47] Georgia Power also states that it "will not be responsible for any costs or expenses incurred by Seller in connection with the Facility or the performance of Seller's obligations under this PPA that result from new or different or other changes in applicable law (including any change in an interpretation of any applicable law)."[48]
- APA: N/A. Georgia Power does not define Change of Law or include any Change of Law clauses for APA contracts.

Q. PLEASE PROVIDE AN OVERVIEW OF GEORGIA POWER'S TREATMENT OF CHANGE OF LAW CAPITAL EXPENDITURES.

A. All of the PPAs[49] define Change of Law Capital Expenditures as follows:

"Additional capital expenditures (determined in accordance with [Generally Accepted Accounting Principles]) reasonably incurred by Seller in accordance with Prudent Industry Practices for additional or different equipment installed at the Facility during the Term, or for other modifications to the Facility during the Term, as a direct result of a Change of Law and as necessary for the Facility as operated under this PPA to comply with the Change of Law during the Term. Capital expenditures will not constitute Change of Law Capital Expenditures unless GPC, using Prudent Industry Practices, would incur the same capital expenditures regarding its own generation facilities of the same type as the Facility because of the requirements of the Change of Law (taking into account

[47] ESS with Renewable Resource PPA, p. 50; Standalone ESS PPA p. 47; PPA for a Combustion Turbine Facility, p. 58; and PPA for a Combined Cycle Facility, p. 58.
[48] ESS with Renewable Resource PPA, p. 52; Standalone ESS PPA p. 49; PPA for a Combustion Turbine Facility, p. 60; and PPA for a Combined Cycle Facility, p. 60.
[49] Section 17.1 of ESS with Renewable Resource PPA and Standalone ESS PPA; Section 17.2 of PPA for a Combustion Turbine Facility, and PPA for a Combined Cycle Facility

differences in facility generating capacity, location, and the frequency and duration of facility dispatch).”[50]

Change of Law capital expenditures (i.e., costs for new or different equipment or other changes to the facility that the Seller reasonably must pay because of a change in law) will only be considered if Georgia Power's facilities of the same type would incur the same capital expenditures. It is unfair to make an IPP’s right to recover legitimate regulatory costs dependent on whether the utility would hypothetically incur the same cost, especially when the utility has a separate recovery mechanism, controls the information, and defines what counts as "the same type."

Further, only highly substantial cost increases are even considered. The seller must notify Georgia Power within six months after the enactment of an applicable Change of Law and provide periodic updates regarding seller's compliance plan and expenditures.[51] If a law changes, cost adjustments are allowed when the added expenses meet a certain cost threshold for an “Excess Change of Law Capital Expenditure.” For PPA bids, the minimum expense threshold is more than 10% of the product of the seller’s proposed annual price multiplied by the facility's size in kW for the first year.[52] For BTA, APA, and COPs, the minimum expense threshold is more than 20% of the total purchase price divided by the facility’s design life in years.[53] For Combustion Turbine Facility and Combined Cycle Facility PPAs, by contrast, Georgia Power will reimburse the seller for any greenhouse gas

50 ESS with Renewable Resource PPA, Section 17.1.1 (p. 50); Standalone ESS PPA, Section 17.1.1 (p. 47); PPA for a Combustion Turbine Facility, Section 17.2.1 (p. 58); and PPA for a Combined Cycle Facility, Section 17.2.1 (p. 58).
51 ESS with Renewable Resource PPA, Section 17.1.1 (p. 50); Standalone ESS PPA, Section 17.1.1 (p. 47); PPA for a Combustion Turbine Facility, Section 17.2.1 (p. 58); and PPA for a Combined Cycle Facility, Section 17.2.1 (p. 58).
52 ESS with Renewable Resource PPA, Section 17.1.2 (p. 52); Standalone ESS PPA, Section 17.1.2 (p. 50); PPA for a Combustion Turbine Facility, Section 17.2.2 (p. 57); and PPA for a Combined Cycle Facility, Section 17.2.2 (p. 57).
53 Georgia Power. (2024, June 20). 2029–2031 All-Source RFP Final Approved RFP Document (Section 4.3, p. 29). https://eq-research.sharefile.com/public/share/web-sab8f54c0bd3a4fcf937de37cfb18c0b1

("GHG") charges required by new GHG legislation. The seller must use any GHG credits to avoid or mitigate GHG charges.[54]

Q. PLEASE PROVIDE AN OVERVIEW OF GEORGIA POWER'S CHANGE OF LAW BID REFRESH PROVISIONS.

A. In the 2029-2031 All-Source Capacity RFP issuing document, Georgia Power specifies the process by which a seller can submit updated pricing following a Change of Law. The language states that a seller can request to adjust its submission pricing to account for Change of Law capital expenditures with 15 days' notice to Georgia Power after the seller is aware of the Change in Law.[55] If the submission refresh deadline in the RFP schedule has not yet passed and the seller has provided proper notice to Georgia Power of the Change of Law, the seller can include Change of Law capital expenditures in its refreshed submission pricing.[56] For a Change of Law occurring after the submission refresh deadline, the seller can request approval through the Independent Evaluator ("IE") website to adjust its pricing after providing proper notice to Georgia Power.[57] Georgia Power must accept or reject the seller's proposed adjustment to the Annual Capacity Price to recover Excess Change of Law Capital Expenditures within one year.[58]

Q. PLEASE PROVIDE AN OVERVIEW OF THE SELLER EXPERIENCE WITH GEORGIA POWER'S CHANGE OF LAW PROVISIONS.

A. In EQ Research's interviews, Sellers uniformly criticized the change of law language as one-sided and inflexible. Sellers objected to Georgia Power's insistence on limiting compensation for regulatory changes to only those capital expenditures that Georgia Power

[54] Georgia Power. (2024, June 20). 2029–2031 All-Source RFP PPA for a Combined Cycle Facility (p. 57). https://eq-research.sharefile.com/public/share/web-s090a6574aaca4694963ab3537597a2e3
[55] Georgia Power. (2024, June 20). 2029–2031 All-Source RFP Final Approved RFP Document (Section 4.3, p. 29). https://eq-research.sharefile.com/public/share/web-sab8f54c0bd3a4fcf937de37cfb18c0b1
[56] Georgia Power. (2024, June 20). 2029–2031 All-Source RFP Final Approved RFP Document (Section 4.3, p. 29). https://eq-research.sharefile.com/public/share/web-sab8f54c0bd3a4fcf937de37cfb18c0b1
[57] Georgia Power. (2024, June 20). 2029–2031 All-Source RFP Final Approved RFP Document (Section 4.3, p. 29). https://eq-research.sharefile.com/public/share/web-sab8f54c0bd3a4fcf937de37cfb18c0b1
[58] Georgia Power. (2024, June 20). 2029–2031 All-Source RFP ESS with Renewable Resource PPA (Section 17.1, p. 51). https://eq-research.sharefile.com/public/share/web-s59c90113147f46beb679a99aad74b080

itself would incur on similarly situated, utility-owned facilities. They also noted the ambiguity and potential risk in the definitions used, particularly the determination of "prudent industry practices" and the subjective assessment of facility comparability. Several participants warned that the current formulation fails to recognize the unique regulatory exposure of independent developers and shifts disproportionate risk onto them, making projects financially more challenging and uncertain versus utility-owned assets.

Direct Quotes from Interviews

Here are direct quotes from respondents regarding the change of law provisions:

On one-sided and inflexible language:

"The current Change of Law provisions are overly one-sided and do not reflect a balanced allocation of regulatory risk. The formulation provides no meaningful protection to Sellers for unforeseen changes."

On tying compensation only to Georgia Power-incurred expenditures:

"Limiting Change of Law compensation to only those capital expenditures Georgia Power would make for a similarly situated utility-owned facility is arbitrary and disregards the different risk profiles and cost structures of independent developers."

On ambiguity in definitions and standards:

"Definitions such as 'prudent industry practices' and 'similarly situated facilities' are vague and subject to Georgia Power's sole interpretation, which creates unacceptable risk for developers."

On risk exposure to independent developers:

"The formulation of the Change of Law clause places disproportionate risk on third-party sellers by not recognizing their heightened exposure to policy shifts, unlike regulated utility assets."

Q. HOW IS GEORGIA POWER'S CHANGE OF LAW PPA PROVISION DIFFERENT IN THE 2025 ESS RFP AS COMPARED TO THE 2024 ALL-SOURCE RFP?

A. Compared to Georgia Power's 2024 All-Source pro forma PPAs, the 2025 ESS RFP Change of Law provisions in the Paired Facility PPA[59] and the Standalone + Paired Existing Renewable Resource PPA[60] represent a marginally more flexible but still utility-favoring framework. The 2025 ESS RFP introduces a $8/kW threshold for when cost recovery becomes even eligible for review and allows the seller to terminate the PPA if the utility denies cost recovery - but only after a long process (365 days minimum). [61]

VII. CONCLUSIONS AND RECOMMENDATIONS FOR GEORGIA POWER'S RFP PROCESS

Q. WHAT CONCERNS DO YOU HAVE REGARDING GEORGIA POWER'S RFP PROCESS?

A. The Georgia Power 2029 to 2031 All-Source Capacity RFP represents a significant procurement effort aimed at securing capacity through a diverse mix of standalone storage, renewable-paired storage, and thermal generation resources. However, stakeholder feedback suggests that the structure of this RFP, including its bid security requirements, performance security requirements, and treatment of change of law risks, places a disproportionate burden on non-utility sellers.

The change of law provisions, while defined across contract types, are broadly seen by stakeholders as overly one-sided. Georgia Power's policy of only reimbursing for regulatory costs that its own utility-owned projects would face disregards the differing risk

[59] Georgia Power. (2025, September 18). 2025 ESS RFP Pro Forma PPA (Paired Facility) (p. 58). https://eq-research.sharefile.com/public/share/web-sc5b76f4ad4c149b1a0e695801a9b55bd

[60] Georgia Power. (2025, September 18). 2025 ESS RFP Pro Forma PPA (Standalone + Paired Existing Renewable Resource) (Section 17.1.2 at p. 56). https://eq-research.sharefile.com/public/share/web-s7d3f7c0376b542e2a7e6284028c6713c

[61] Georgia Power. (2025, September 18). 2025 ESS RFP document, Section 4.2, p. 22; Paired Facility PPA Section 17.1.2, p. 56 & Standalone + Paired Existing Renewable Resource PPA, Section 17.1.2, p. 56

profiles of third-party developers. Moreover, vague terms like "prudent industry practices" and "similarly situated facilities" introduce subjective interpretations that increase uncertainty.

Q. HOW ARE OTHER PUBLIC UTILITIES PROVIDING MORE BALANCED FRAMEWORKS THAT RESULT IN MORE SUCCESSFUL PROCUREMENTS?

A. By comparison, other utilities provide more balanced or flexible frameworks that result in more successful RFPs. Duke Energy allows for bid price adjustments and termination in response to adverse regulatory changes. Avista, Basin Electric, and AES Indiana place full tax and regulatory compliance risk on the seller but also offer clarity and, in some cases, mechanisms for RFP withdrawal in response to legal shifts. Some, like Portland General Electric and Avista, impose no bid security at all, reducing entry barriers for competitive participation. Recent large IOU solicitations commonly yield up to ~20% utility-owned and at least ~80% third-party-owned selections.[62] The recent RFP procurements conducted by these public utilities in other states are also resulting in lower cost projects that are more beneficial for ratepayers. See Appendices C-E of this Testimony, which shows that utility-scale ESS capacity prices cluster between about $110 and $140 per kW-year, with solar-hybrid projects occasionally dipping below $100/kW-year in the lowest-cost Nevada cases.

Q. WHAT ARE THE PRACTICAL IMPACTS OF YOUR CONCERNS WITH REGARD TO THE COMMISSION'S DUTY TO PROTECT THE PUBLIC INTEREST?

A. The Commission's requirement to use an RFP process for every block of new supply side resources identified in the IRP recognizes the potential for the competitive market to drive innovation or efficiency to deliver more beneficial resources for Georgia customers and provides a safeguard against complacency in the resource planning process. If structured

[62] *See* example: PacifiCorp. (2024, February). Direct testimony of Rick T. Link (Exhibit PAC/800, Docket No. UE 433) [p. 14]. Utility Commission of Oregon. https://www.pacificpower.net/content/dam/pcorp/documents/en/pacificpower/rates-regulation/oregon/filings/docket-no-ue-433/08_Rick_T_Link_Direct_Testimony_and_Exhibits.pdf

properly, an RFP competitive procurement for power supply resources that could be provided by entities other than the Company helps the Commission ensure that customer interests are protected, and that utilities pursue the best resources to serve load, regardless of whether they are owned by the utility or a third party. However, if the RFP process is structured in a way that inhibits competition from independent power producers, including SREA members, the result is that Georgia Power customers lose out on the savings that come with competition and innovation by market participants. If the Company continues to structure RFPs in a way that disproportionately results in the addition of self-build resources and the exclusion of projects developed by independent power producers, the developer community will no longer seek to develop innovative and efficient projects in Georgia that could be beneficial for customers and put downward pressure on rates.

Q. WHAT RECOMMENDATIONS DO YOU SUBMIT TO THE COMMISSION REGARDING THE CERTIFICATIONS REQUESTED IN GEORGIA POWER'S APPLICATIONS?

A. I recommend that the Commission deny certification of the Wadley BESS project as a company-owned resource and instead require Georgia Power to add 260 MW of capacity to the upcoming 2025 ESS RFP, where projects bidding to meet that need can be evaluated openly alongside other proposals. Wadley was not selected through competitive solicitation, and it does not "provide any extraordinary advantage to ratepayers."[63] It was proposed through the Supplemental Procurement and appears to have bypassed both the All-Source RFP and the Winter BESS RFP. It should not be certified on the present record before the Commission, but should, instead, compete with other projects to provide the best performance – and the best value to ratepayers – by participating in the 2025 BESS RFP. That RFP already has Commission and Independent Evaluator oversight. Enlarging it by 260 MW would boost transparency and build consumer confidence in Georgia's framework for procuring more affordable power.

[63] Georgia Public Service Commission. (2025, August 5). Procedural and scheduling order: Georgia Power Company's application for the certification of capacity from the 2029–2031 All-Source RFP (Docket No. 56298) and supplemental resources (Docket No. 56310). https://psc.ga.gov/search/facts-document/?documentId=223546

Q. WHAT RECOMMENDATIONS DO YOU SUBMIT TO THE COMMISSION FOR IMPROVING GEORGIA POWER'S RFP PROCESS TO PROTECT THE PUBLIC INTEREST?

A. To protect the public interest and fulfill its statutory responsibilities, the Commission should foster a more inclusive, transparent, and competitive procurement environment that drives innovation, lowers project costs, and places downward pressure on customer rates. To that end, the Commission should direct that Georgia Power's subsequently issued RFPs incorporate the following changes, including but not limited to the 2025 ESS RFP and the 2026 All-Source RFP:[64]

1. Establish a 70% cap on the share of Company-owned capacity in Georgia Power's operating portfolio, capping selected incremental resources in each RFP as to not exceed this capacity threshold.[65]
2. Reduce and shorten bid-security requirements to align with peer-utility practices.
3. Recalibrate performance-security obligations to be technology indifferent.
4. Modernize the change-of-law framework to provide meaningful cost recovery for independent developers.
5. Clarify and standardize key definitions.
6. Streamline procedural requirements, apply consistent terms across all contract types.
7. Align with industry best practices to ensure equitable risk-sharing and fair competition.

These reforms would help restore a level playing field, expand market participation, and ensure that future procurements secure the most cost-effective and reliable resources for Georgia customers.

[64] Georgia Public Service Commission. (2025, July31). Order Adopting Stipulation, Docket Nos. 56002 & 56003 [final order filing # 223496), pg. 13 (directing Georgia Power to "issue an All-Source RFP for capacity needs in 2032-2033 in the first quarter of 2026."

[65] See STF-PIA-3-3 Attachment, rows 46 and 47 of the "B2025 Winter MG0" tab and rows 44 and 45 of the "B2025 Summer MG0" tab for the percentage of capacity provided by PPAs and the percentage of capacity provided by Company-owned resources calculated on an annual basis for the season shown on the tab.

Q. DOES GEORGIA POWER'S 2025 ESS RFP INCLUDE MANY OF THE SAME BURDENSOME TERMS THAT YOU IDENTIFIED NEED TO BE REVISED IN THIS TESTIMONY?

A. Yes. Although I noted some slight improvements with the 2025 ESS RFP, Georgia Power has still not resolved most of the issues that deterred and prevented IPPs from bringing for beneficial projects for the All-Source RFP.

Q. HOW CAN THE COMMISSION ENSURE THAT SREA'S RECOMMENDED RFP REFORMS ARE APPLIED AS SOON AS POSSIBLE?

A. Pursuant to the Procedural Scheduling Order, the Commission is currently scheduled to render a decision in these certification proceedings at "a specially scheduled Administrative Session immediately following the special Energy Committee" on December 19, 2025. Along a parallel track, Georgia Power anticipates filing the 2025 ESS RFP documents with the Commission on November 19, 2025, with Commission review and approval expected on December 2, 2025, and RFP issuance on December 19.

The Commission should slightly alter the 2025 ESS RFP timeline so that review and approval of the ESS RFP documents follow completion of these certification proceedings. This would allow for improvements to be incorporated into the forthcoming 2025 ESS RFP. The Commission's 2022 IRP final order did not include any deadline for when Georgia Power needs to issue the 500 MW ESS RFP, and the process has moved at a deliberate pace until now. Under a revised timeline, the Commission could render a decision on Georgia Power's 2025 500 MW ESS RFP documents during the Administrative Session on December 19, 2025. Alternatively, the Commission should direct GPC to amend the ESS RFP documents to incorporate the reforms recommended herein.

In addition to this adjustment in timeline for the 2025 ESS RFP, the Commission should also increase the 500 MW procurement target by 260 MW to offset non-certification of the Wadley project, as discussed above.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

APPENDIX A. EXAMPLE BID SECURITY CALCULATION FOR A SOLAR PLUS ESS PPA PROJECT

Download the calculations.[66]

Assuming a 100 MW solar PV system paired with a 60 MW 4-hour (240 MWh) ESS over a 20-year PPA term, the project would need to post bid security of $5.4 to $6.8 million after being named to the Conforming List and keep that posting for 4-8 months before either failing to make the Reserve List or making it to the contracting phase. The $/kW cost of this bid security amount if taking a middle value of $6 million for this 160 MW solar plus storage project is $38/kW. The carrying cost of a loan for the bid security is about $280,000 over 8 months at a 7% annual rate.

This calculation assumes assumed the project is located near Atlanta, Georgia, where the average solar capacity factor is 28.3%[67] and that its annual energy output is 100 MW × 0.283 × 8,760 hrs/year = 247,908 MWh/year. With an energy price from $25/MWh (based on recent publicly available PPA data for Georgia[68]) to $40/MWh, the annual energy revenue would be 247,908 MWh × $25/MWh to $40/MWh = $6.2 million to $9.9 million, which amounts to $124 million - $198 million over 20 years. There is also capacity revenue from the ESS. Assuming the ESS is eligible for capacity payments (60 MW x 4 hrs = 240 MWh total), and the capacity price is $10/kW-month,[69] the annual capacity revenue is 60,000 kW × $10 × 12 months = $7.2 million, or $144 million over the 20-year term. In Georgia, there is no ancillary services market, so the total expected annual revenue is $13.4 - $17 million for energy and capacity only. Over 20 years, the estimated total revenue is $268 - $342 million. This would mean that a 100 MW solar/60 MW ESS project would need to post bid security of $5.4 to $6.8 million after being named to the Conforming List

[66] EQ Research (2025, November). Bid security calculations for Georgia Power's 2024 All-Source RFP available at https://eq-research.sharefile.com/public/share/web-se63f05c1f9e24c84a7cf5a58711ec825

[67] National Renewable Energy Laboratory (NREL). 2024. "2024 ATB Utility-Scale PV." Golden, CO: National Renewable Energy Laboratory. (Class 5 was used since solar resource is 4.75 to 5 kWh/m2/day)

[68] LBNL. (2024, October). Utility-Scale Solar, 2024 Edition [Utility-Scale Solar 2024 Edition Data File (XLSX). PV+Battery Hybrid PPA Price Tab]. Retrieved from https://emp.lbl.gov/utility-scale-solar/.

[69] The most recently published avoided capacity price in Dockets 4822 and 16573 for non-intermittent qualifying facilities (QF) is $11.31/kW-month as of 2024 for 2028, but EQ Research used a lower price assumption since QFs are not eligible for this RFP and it is not clear if GEORGIA POWER considers hybrid projects "non-intermittent."

for 4-8 months, and still possibly get rejected as a failed Reserve List bid before the contracting phase. The $/kW cost of this bid security amount if taking a middle value of $6 million for this 160 MW solar plus storage project is $38/kW. The carrying cost of a loan for the bid security is about $280,000 over 8 months at a 7% annual rate.

APPENDIX B. EXAMPLE BID SECURITY CALCULATION FOR AN ESS-ONLY PPA PROJECT

Download the calculations.[70]

Assuming a 100 MW ESS is eligible for capacity payments (100 MW x 4 hrs = 400 MWh total), and the capacity price is $10/kW-month,[71] the project would need to post $4.8 million for bid security after being named to the Conforming List to stay under consideration until the next phase of evaluation. The $/kW cost of the bid security for this 100 MW standalone ESS is $48/kW.

[70] EQ Research (2025, November). Bid security calculations for Georgia Power's 2024 All-Source RFP available at https://eq-research.sharefile.com/public/share/web-se63f05c1f9e24c84a7cf5a58711ec825

[71] The annual capacity revenue would be 100,000 kW × $10 × 12 months = $12 million, or $240 million over the 20-year term. The most recently published avoided capacity price in Dockets 4822 and 16573 for non-intermittent qualifying facilities (QF) is $11.31/kW-month as of 2024 for 2028, but EQ Research used a lower price assumption since QFs are not eligible for this RFP and it is not clear if Georgia Power considers hybrid projects "non-intermittent."

APPENDIX C. BESS PRICES IN MICHIGAN

Consumers Energy in Michigan executed two PPAs at fixed energy prices below $15/MWh and capacity below $142/kW-year.[72] The two PPAs arose from an RFP issued per a settlement agreement[73] in the proceeding addressing its 2021 IRP process.[74] Below are the details of the PPAs:

- Century Oaks Energy Storage – Consumers Energy:
  - Technology: 200 MW BESS
  - COD: 5/31/26
  - Term: 20 Years
  - Energy price: $14.36/MWh
  - Estimated contract cost: $769 million, which includes $728 million in PPA payments and $41 million for the Financial Compensation Mechanism ("FCM")
  - Projected market value of the contract: $759 million, which includes $669 million from energy and capacity sales and $90 million from ancillary services.
  - LCOE: Estimated at $143.54/MWh.
  - Levelized Cost of Capacity ("LCOC"): Projected at $198,538 per Zonal Resource Credit ("ZRC"). The project will provide 95 ZRCs with a 95% capacity credit. 2025 prices for Zone 2 ZRCs are forecast at $5 - $140/MW/day.[75]

[72] The contracts list a Levelized Net Capacity Cost of $134,317 per ZRC-year (Century Oaks) and $141,245 per ZRC-year (Voyager). Each ZRC (Zonal Resource Credit) in MISO represents 1 MW of accredited capacity for one year. These amounts divided by 1,000 to convert from MW yield the $/kW-year capacity price.
[73] Consumers Energy Company. (2022, April 20). Case No. U-21090 – In the matter of the application of Consumers Energy Company for approval of an integrated resource plan under MCL 460.6t, certain accounting approvals, and for other relief. Michigan Public Service Commission. Retrieved from https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y000002gLkGAAU.
[74] Michigan Public Service Commission. (2022, June 23). Case No. U-21090 – Order approving settlement agreement. Retrieved from https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y000003KjSDAA0.
[75] Midcontinent Independent System Operator. (2024, October 9). PRA clearing with RBDCs for PY24-25 (p. 4). Resource Adequacy Subcommittee (RASC). Retrieved from https://cdn.misoenergy.org/20241009%20RASC%20Item%2006%20PRA%20Clearing%20with%20RBDCs%20PY24-25651957.pdf.

- Levelized Net Capacity Cost ("LNCC"): $134,317 per ZRC-year, which is lower than the 2021 Integrated Resource Plan (IRP) battery proxy assumption of $150,845 per ZRC-year, indicating cost savings.[76]

- Voyager Energy Storage – Consumers Energy:
  - Technology: 100 MW, 4-hour BESS
  - COD: 5/31/27
  - Term: 20 Years
  - Energy price: $14.54/MWh
  - Estimated contract cost: $404 million
  - Projected market value of the contract: $388 million, which includes $346 million from energy and capacity sales and $43 million from ancillary services.
  - LCOE: Estimated at $147.63/MWh.
  - LCOC: Projected at $208,851 per Zonal Resource Credit ZRC.
  - LNCC: $141,245 per ZRC-year, which is lower than the 2021 IRP battery proxy assumption of $150,845 per ZRC-year, indicating cost savings.[77]

[76] Michigan Public Service Commission. (2024, August 22). Case No. U-21090 – Order. Retrieved from https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000005gzXFAAY.
[77] *Id*.

APPENDIX D. SOLAR PLUS ESS PPA PRICES FROM NREL

Table 3. Solar Plus Storage PPA Prices from NREL 2025[78]		
Plant	ESS $/kW-year	PV $/MWh Real
Chuckwalla (NV)	$67	$19
Four Mile Mesa (NM)	$139	$31
Dry Lake East (NV)	$127	$29
Star Light (NM)	$126	$28
Boulder Solar III (NV)	$123	$26
Libra (NV)	$106	$26
Quail Ranch (NM)	$105	$24
Average	**$113**	**$26**

[78] LBNL. (2025, October). Utility-Scale Solar, 2025 Edition [Utility-Scale Solar 2025 Edition Data File (XLSX). PV+Battery Hybrid PPA Price Tab Filtered to 80 – 1,200 MW-AC ESS with CODs in 2025 or later]. Retrieved from https://emp.lbl.gov/utility-scale-solar/. Analysis by EQ Research accessible at https://eq-research.sharefile.com/public/share/web-s33c94b439d134da08bdc20f886e12955.

APPENDIX E. ALL-SOURCE SOLICITATION PRICES IN COLORADO

All-source RFPs are used by utilities to compare prices by technology and ownership structure. As part of its IRP process, Public Service Company of Colorado ("Xcel Energy") issued an All-Source Solicitation on December 1, 2022, including a Company Ownership RFP, a Dispatchable Resources RFP, and a Renewable Resources RFP. The bid submission deadline was March 1, 2023. Below are the results.

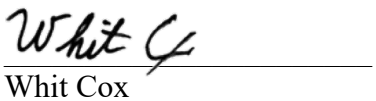
Table 4. Xcel Energy Colorado 2022 All-Source Solicitation RFP Results[79]

Technology	# Bids[80]	Bid MW[81]	Median Bid Price ($/MWh levelized)	Median Bid Price ($/kW-year levelized)
Gas	13	3,347	-	$128
Other[82]	3	163	Small sample	Small sample
Solar	210	55,212	$32.73	-
Solar/Storage	223	110,119	$39.89	$116
Storage	80	14,833	-	$146
Wind	210	84,533	$21.99	-
Wind/Solar	10	15,801	$28.67	-
Wind/Solar/Storage	40	19,703	$38.20	$83
Wind/Storage	6	3,156	$19.62	$151
Averages			**$30.18**	**$125**

[79] Public Service Company of Colorado. (2023, March 31). *2022 All-Source Solicitation 30-Day Report: 2021 Electric Resource Plan and Clean Energy Plan (Phase II)* [Proceeding No. 21A-0141E, p. 1, Attachment A]. Colorado Public Utilities Commission. Retrieved from https://www.xcelenergy.com/staticfiles/xe-responsive/Company/Rates%20&%20Regulations/2022%20All-Source%20Solicitation%2030-Day%20Report.pdf.
[80] # of Bids reflects number of proposals, the unique projects are less than this value.
[81] Bid MW column provides total MW bid across all proposals, the MWs of unique projects are less than this value.
[82] Includes biomass and compressed air storage.

CERTIFICATE OF SERVICE

I certify that I have served the following parties with the foregoing **Direct Testimony of Miriam Makhyoun,** by electronic mail, this 12th day of November, 2025.



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