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NEWS RELEASE

PSC Approves Agreement to Resolve Georgia Power 2013 Integrated Resource Plan and Expands Use of Solar Energy

ATLANTA, July 11, 2013 – The Georgia Public Service Commission (Commission) today approved by a 4-1 vote a stipulated agreement to resolve all issues in the Georgia Power Company (Company) 2013 Integrated Resource Plan (IRP) filed in Docket 36498 and Application for Certification of Its Demand Side Management (DSM) Plan in Docket 36499.

The Commission also approved by a vote of 3-2 a motion proposed by Commissioner Lauren “Bubba” McDonald, Jr., that Georgia Power include in this IRP an additional 525 Megawatts (MW) of new solar generation. The amended motion requires that 260 MW be brought online by 2015 and 265 MW by 2016. The new solar generation will be composed of 100 MW of distributed generation and 425 MW of utility scale solar and will require competitive bidding.

“I believe this is the right step to take if we are to encourage the development and use of solar energy,” said Commissioner McDonald. “This motion is not a mandate, but an expansion of Georgia Power’s current solar portfolio.”

The Commission modified the solar motion by adopting two proposals by Commissioner Stan Wise that require the Company to use an independent evaluator in the bid process and prohibit accepting any bids that exceed Georgia Power’s levelized avoided cost for the term of purchase power agreements.

Commissioner Doug Everett repeatedly stated that he would not accept any plan that put upward pressure on rates. With assurance from both Commission staff and Georgia Power that this plan will not increase electric rates because all bids must be below Georgia Power’s avoided cost, he voted to adopt this stipulation.

Commissioner Tim Echols who supported the solar motion said, “Commissioner McDonald's motion adding 525 megawatts of solar to our 20-year energy plan is a hedge against more coal regulation and natural gas price volatility. When the President finishes his war on coal, he'll come after fracking, and gas prices will surely go up. We have to be ready.”

The Commission adopted two other motions by Commissioner Tim Echols. One allows Georgia Power to develop its proposed small wind demonstration pilot project that compares several different wind turbine technologies. The other requires Georgia Power to file within 30 days its project plan for a low-income demand-side management (DSM) program for the direct installation of eligible energy efficiency measures for about 25,000 eligible homes.

Other provisions of the stipulated agreement include:

- Closing and decertifying 16 coal-fired electric generation units
- Converting two coal-fired units to burn natural gas
- Bringing thirteen coal-fired generation units into compliance with the Environmental Protection Agency (EPA) Mercury and Air Toxic Standards (MATS)
- Changing the close date of Plant Branch Unit 1 from December 31, 2013 to coincide with the closing of Plant Branch Units 3 and 4, as approved in this agreement.

“Georgia has to look to the future,” said Commission Chairman Chuck Eaton, “We are making decisions that affect millions of Georgians, ensuring that we have reliable electric service so we do not experience brownouts in extreme weather conditions and promoting economic growth and development.”

Georgia law (O.C.G.A. §46-3A-2) requires the Company to file an updated IRP every three years which details how it will supply the state’s electric generation needs. The plan ensures that Georgia Power customers have an adequate and reliable electric supply, establishes measures to conserve energy, and promotes alternate energy supplies.

More information on this issue can be found on the Commission website, www.psc.state.ga.us, under Docket Number 36498 and 36499.

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