Regulation of Georgia's Electric Utilities & EPA's 2014 Clean Power Plan

Sheree Kernizan Georgia Public Service Commission Director, Electric Unit EPD Stakeholder Workshop August 7, 2014

Georgia electricity providers



OglethorpePo

Assigned Service Areas*

Legend:

City of Dalton

Unassigned - EMC Boundaries

EMCs supplied by Oglethorpe Pow EMCs supplied by TVA Georgia Power Company Municipal Electric Authority of Geory Savannah Electric and Power Compar

Electric Power Board of Chattanooga

Assignments generally apply to service loads 900kW with exceptions and customer choice identified in and pursuant to "Georgia Territo

13 Snapping Shoals 19 Central Georgia 25 Planters 7 Jackson

rth Georgia

31 Middle-Georgia 37 Satilla R

Georgia Public Service Commission

Electric Utility Companies

- Investor Owned Utility (Georgia Power) private Company with ownership shares held by stockholders
 - (1) Georgia Power fully regulated subsidiary of Southern Co.
- Publically Owned Companies
 - EMCs (42) overseen by co-op boards
 - Munis (52) overseen by municipal govts
 - territorial disputes & transfers, loan applications, rate tariff filings

Regulation of Georgia Power (IOU)

IOU – Georgia Power

- Set rates in base and fuel rate cases (since 2000)
 - Rate cases- 6month process (2001, 2004, 2007, 2010, 2013)
 - Fuel cases- 90 day process (2001,2003, 2005, 2006, 2007, 2008, 2010, 2011, 2012, 2014 (delayed)
- Plan for resources in Integrated Resource Planning (IRP) & IRP certification proceedings
 - IRP -every 3 yrs by state law, 180 day process
 - Utility files 20 year plan
 - 1992,1995, 1998, 2001, 2004, 2007, 2010, 2013, 2016 (next one)
 - Demand side management / energy conservation & energy efficiency/low income weatherization
 - Renewable resources- solar, wind, biomass
 - Demand response- load management, time-of-use rates
 - Transmission plan (10 year)
 - Environmental compliance strategy
 - Supply side resources(certified in separate certification proceedings-240 days) - McDonough, Vogtle, PPAs, etc.

Role of the States/ States decide how they will cut carbon

(EPA Fact Sheet)

- * Some of the measures states can choose to rely on in their plans include, but are not limited to:
- * demand-side energy efficiency programs- 1993, 1995, 1998, 2001, 2004, 2007, 2010, 2013 IRPs
- * renewable energy standards- no formal RPS but approved in PSC orders
- * efficiency improvements at plants- ?? May have been approved in rate cases
- * co-firing or switching to natural gas- Yates & Gaston (2013 IRP)
- construction of new Natural Gas Combined-Cycle plants- Plant McDonough Units 4,5,6, 2007 Certification, placed in rates 2012 & 2013 \$1.8 Billion
- * transmission efficiency improvements- SoCo, OPC, Muni- DOE SGIG (2013 completion)
- energy storage technology

Role of the States/ States decide how they will cut carbon (EPA Fact Sheet) cont.

- Retirements-2007 Decertification McDonough Units 1 & 2 IRP Update Docket 34218
 2012 (Branch 1& 2), 2013 IRP (for MATs)
- expanding renewables like wind and solar- Green Energy Program 5mw solar (Docket 16573), ASI 2012 (online, 525 MW solar -2013 IRP), renewable resource action plan (3-30 mw projects, 2007 IRP), Wind PPA (approved 2013)
- * expanding nuclear- identified need (2007 IRP), Certified 2009
- * market-based trading programs- none
- energy conservation programs- demand response rates (TOU, RTP), load control (Power credit), Residential demand (2013 rate case)
- * Other measures to reduce emissions AMI approved in 2007 rate case eliminate manual meter reading/reduce vehicle use

Southern Company SGIG

In 2010 Southern Company accepted \$165 million in federal funding matching to be dispensed throughout the company's four-state service territory over a three-year period

Cost of SGIG Projects

| Distribution Energy Efficiency Program | \$66 |
|--|-------|
| IDMD / SCADA / Fault Locating | \$44 |
| Distribution Automation | \$83 |
| Transmission Line Automation | \$20 |
| Smart Substations | \$117 |
| Total (in millions) | \$330 |

SGIG Benefits

Southern Company planned and budgeted for these improvements before applying for the SGIG to:

- dramatically accelerate the deployment of smart grid technologies.
- optimize grid performance and reliability by using electronic data, intelligent devices and integrated systems.
- minimize the loss of energy as it travels across the grid.
- improve reliability, safety, power quality, and operating resiliency to natural disasters.

| | DE | PAR | | NT OF | | Office of Electricity P |
|---|----|-----|---|-------|---|-------------------------|
| Ε | Ν | Ε | R | G) | 1 | and Energy Reliability |

2009 American Recovery and Reinvestme Smart Grid Investment Preject Desc

Recipient: Southern Company Services

Total Budget: \$330,130,482

Federal Share: \$164,527,160

of 4,706 Circuits o Distribution Management System

3,325 Substations o SCADA Communications Network

o Smart Relays

Distribution Line Losses
Reduced Truck Fleet Fuel Usage
Reduced Greenbouse Gas and Criteria Polluta

Key Targeted Benefits

Expansion

Quality

Emissions

At-A-Glance

State: Georgia, Alabama, Mississippi, and Florid

Project Type: Electric Distribution Systems Electric

Transmission System

Equipment Condition Monitors

o Automated Voltage Regulators

Deferred Investment in Generation Capacity

Improved Electric Service Reliability and Po

Reduced Operating and Maintenance Costs

Reduced Costs from Equipment Failures and

Distribution Automation Equipment for 321 out

Automated Distribution Circuit Switches
 Automated Capacitors

Substation Automation Equipment for 359 of

NERC Region: SERC Reliability Corporation

Southern Company Services, Inc. Smart Grid Project

Abstract

The Southern Company Services' (Southern Company) Smart Grid project involves integrated upgrades of the distribution, transmission, and grid management systems throughout their large service territory. Major efforts include automation of major parts of the distribution system, automation of selected transmission lines, and new equipment for many substations. This project centers on deployment of new distribution technologies that intend to improve power factor at delivery, thereby increasing the effective usability of existing electricity generation. This reduction in line losses may lead to the deferral of new generation capacity investments and associated reductions in greenhouse gas emissions. The distribution automation equipment in this project also aims to enhance system reliability through better protections and faster response to outages while simultaneously lowering cost for operation and maintenance of the system by human operators.

Smart Grid Features

Communications infrastructure includes new radio communication equipment and upgrades to the outage management, distribution management, and supervisory control and data acquisition (SCADA) systems. These new software platforms enhance grid operator's visibility and control of new automated transmission and distribution equipment. A total of 110 radio towers are installed to provide a faster communications network, using a SCADA platform to connect real-time transmission and distribution monitoring capability with grid operators. Southern Company expects this upgraded communication and monitoring platform to enable more rapid responses and avoidance of outages.

Distribution automation systems include automated feeder switches, regulator controls, monitors, relays, capacitor banks, and remote fault indicators. Of the utility's 4,706 circuits, 321 are

receiving new automation equipment. This equipment coordinates sensor data throughout the distribution grid to automatically and rapidly manage power quality, avert power disturbances, and quickly isolate outages. These distribution automation equipment will help reduce the occurrence and duration of power outages while deferring investment in new generation resources. Furthermore, automated distribution will improve operational efficiency of Southern Company's distribution grid and reduce costs and emissions maintenance by reducing equipment failures and truck visits.



Georgia Systems Operation Corporation (39 emcs)

Georgia System Operations Corporation

- * The Georgia System Operations Corporation (GSOC) Energy Management Infrastructure Initiative (GEMINI) Project involves upgrades to the company's transmission operations, communications and control systems, along with new analysis tools for grid operators. The objective of the GEMINI project is to increase the reliability, security, interoperability, and efficiency of the GSOC electric grid, which supports 39 rural electric distribution cooperatives that then sell electricity from the GSOC system to consumers.
- Soc has completed its upgrade of the software and hardware platforms for the energy control system, which is used to manage the operation of the transmission system and the dispatch of generation resources. The GEMINI project has also implemented advanced analysis software for improved monitoring, planning, and electricity cost analysis. The improvements to the communications infrastructure—wide-area monitoring, visualization, and control systems—enable GSOC to rapidly analyze operations across its entire transmission system and automatically communicate information about disruptions or changes in power flow on the grid to its member electric cooperatives. The project has enhanced GSOC's capability to detect, prevent, communicate, respond to and recover from system disruptions. The GEMINI project has resulted in increased efficiency of the overall power delivery system, in part by furnishing GSOC with the ability to use digital controls to manage and modify electricity demand.
 - * Source: DOE October 2013 SmartGrid Progress Report
 - * http://www.smartgrid.gov/sites/default/files/doc/files/SGIG_progress_report_2013.pdf

SmartMeter Status Report For July, 2012

(Prepared August, 2012: This will be the final monthly SmartMeter status report.)

| AMI Meter Deployment Summary | | | TGB (Network) Deployment Summary | | | Upcoming Month's Rolling Deliverables | |
|---|---|---|--|---|--|--|--|
| Meter Status | No. of Meters | Regions | TGB Status (On Preparation Date) | No. of TGB's | Region(s) | Work Plan Deliverable | |
| Total Number of Meters Installed | 2,443,077 | Metro Regions Northeast Northwest West, Central East Coastal | Total Number of TGB's Installed | 219 | Metro Regions, Northeast, Northwest, West, Central, East, Coastal, and Southern | Clean up remaining meter installation exceptions. | |
| In Production | n Production 2,442,959 Used For Billing) | | | | | Continue deployment and operation of RC/DC meters and other meters to support customer growth. | |
| (Used For Billing) | | | Number of TGB's Currently Planned | 218 | Total Company by 2012 (Note: Additional TGB's | Install or adjust network components to expand coverage and improve performance where needed. | |
| Total GPC Meters | 2,444,206 | Total Company (Current Month) | Percent of TGB's 100% | will be added in Coastal, South, and other Regions as | Continue AMI operations | | |
| AMI As A Percent of Total GPC Meters | 100% | | | 100 // | needed.) | | |

Summary of the Month's Accomplishments

During the month, a total of 18,552 Smart Meters were installed. Year to date, 269,611 Smart Meters have been installed.

 Concluded the general AMI meter deployment for Georgia Power Company on July 25th, 2012 in the Bainbridge area of South Region.

Upcoming Activities

The general deployment of AMI meters across the service territory is completed.

Ongoing and normal AMI operating activities, including meter reading, network enhancements,

firmware updates, security enablement, etc. will continue.

Summary of Meter Quality

| Type Test | Low (<98%) | Within Limits (98% to 102%) | High (>102%) |
|--|----------------------|-----------------------------|------------------------|
| New meter incoming quality test | 0 | 1,461 | 0 |
| Existing in-service meters tested for re-use | 8 | 3,057 | 2 |
| Initiated by metering systems | 0 | 8 | 13 |
| Customer-requested test (AMI) | 0 | 16 | 0 |
| Customer-requested test (non-AMI) | 0 | 0 | 0 |
| Total | 8 | 4,542 | 15 |

Summary Of Overall Project Completion

| Meter Deployment Completion Status | Project Areas (See Map On Reverse) |
|---------------------------------------|--|
| Completed | All of Georgia Power Company. |
| Ongoing | Some "clean up work remains for approximately 1,500 meters, including those having refused a Smart Meter and inaccessible meter locations. |
| | |
| | |

GPSC Action Taken in IRPs & Rate Cases

- Smart Grid (AMI) eliminate manual meter reading (reduce vehicle usage/ emissions) -2007 Rate case
- * Construction of Natural Gas CC (plant McDonough)- approved 24506 (**2007** certification)
- * Retirement McDonough coal units 1 & 2- approved Docket 24505 (2007 certification)
- Approve New Nuclear (Vogtle 3&4)- Docket 27800 (March 2009 certification) <u>need</u> based on load forecast filed in 2007 IRP
- * Approve DSM pilot programs- Docket 24505 (2007 IRP certification)
- * Approve DSM programs Docket (2010 IRP certification)
- SoCo awarded DOE Smart Grid Investment Grant (\$165 million across all operating companies)- optimize grid (transmission) performance & reliability by using electronic data, intelligent devices and integrated systems, minimize the loss of energy as it travels across the grid. (2010)
- Renewable resource action plan- (3-30 mw projects)approved 2007 IRP, issued RFP 1.325 mwhs solar.
- * RNR tariff for renewables- approved 2004 (Green Energy program Georgia Power buys solar and landfill gas total of 5.4 MW of solar
- TOU/RTP, EV, Powercredit rates- residential demand,

Questions?

- * Georgia Public Service Commission
- * www.psc.state.ga.us
- * Sheree Kernizan
- * shereek@psc.state.ga.us
- * 404-656-0994