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NEWS RELEASE

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Commission Approves Agreement on Georgia Power Integrated Resource Plan; Increases Renewable Energy Resources; Approves Capitalization of Costs for Early Development of Stewart County Nuclear Power Facility

ATLANTA, July 28, 2016 – The Georgia Public Service Commission today by a 4-1 vote approved a revised Georgia Power Company Integrated Resource Plan (IRP) that will include an additional 1,600 Megawatts (MW) of renewable energy by 2021. The Commission also approved by a 4-1 vote a revision of the Company's request to pass on and capitalize the costs of investigation and licensing costs for potential new nuclear units and to recover these costs from ratepayers in the future.

The Commission decision approves an agreement to settle all issues involving Georgia Power Company's 2016 IRP in Dockets 40161 and 40162. As required by law since 1992 (O.C.G.A §46-3A-1), the IRP is the utility's long-range plan for and forecast of the state's electric power needs for the next three years. The Commission vote approved a stipulation signed by the Commission's Public Interest Advocacy Staff, Georgia Power Company officials and six other parties.

"I believe this IRP strikes the right balance between ensuring Georgia Power customers have reliable service and the right mix of resources while at the same time not paying for un-needed resources," said Commission Chairman Chuck Eaton.

"Adding renewables and nuclear together makes sense," said Commissioner Tim Echols. "I am committed to keeping rates low and energy plentiful, diverse and clean."

The Commission approved IRP also includes:

1. Approval of an increase in the Renewable Energy Development Initiative (REDI) so that the Company will procure 1,200 MW (150 MW of Distributed Generation (DG) and 1,050 MW of utility scale resources.) The utility scale procurement will take place through two separate Requests for Proposals (RFP), one in 2017 and one in 2019. No more than 300 MW of wind resources will be procured through REDI. This resource is broken down into 100MW DG and 50 MW customer sited, both from 1 MW to 3 MW in size.

2. Approval of an additional 100 MW of DG with an RFP to be issued in 2017 with a commercial operation date of 2018 or 2019.
3. Approval of an additional 200 MW of self-build renewable capacity to develop renewable projects including potential projects at Robins Air Force Base and Fort Benning. The projects must be at or below the Company's avoided costs. No more than 75 MW of this capacity may be used for non-military projects.
4. Approval of 1 MW for a pilot solar demonstration project by "The Ray" along the Interstate 85 corridor near LaGrange, Georgia to be completed by 2019. This is included in the 75MW of non-military self-build.
5. Approval to include 3 MW of self-build community solar by Georgia Power. This is included in the 75MW of non-military self-build.
6. Approval of the Company's High Wind Study. The Company will file quarterly reports on the status of the Study.
7. An increase in the Company's long term reserve planning margin to 16.25 per cent.
8. The decertification (closure, retirement and decommissioning) of Plant Mitchell Units 3, 4A, and 4B, Plant Kraft Unit 1 CT and Intercession City CT. The agreement limits annual spending on retirement costs to \$1 million. The Company will file with the Commission prior to incurring any increase in that spending.
9. Approval of the Company's closed ash pond solar demonstration project.

On a motion by Commissioner Stan Wise, the Commission approved on by a 4-1 vote a revised proposal to allow Georgia Power to incur \$99 million in costs for site suitability and Combined Operating License (COL) application development work for a nuclear plant in Stewart County in southwest Georgia. The motion contains the following conditions.

1. The amount recorded for these activities will not exceed \$99 million through the second quarter of 2019.
2. The Stewart County site will continue to be recorded in Property Held for Future Use for ratemaking purposes.
3. Georgia Power will file a status report in its 2019 IRP.
4. If the Commission determines in 2019 that any efforts to obtain a COL should be suspended or terminated, any cost incurred to that point in time will be deferred for recovery in a future rate case.
5. The Company will file annual reports to the Commission updating the status of the investigation and development of the COL.

"We've seen what happens when regulators do not make the tough decisions and sit on their hands. We see what happens when decisions are deferred, infrastructure crumbles and power is curtailed. We can debate the wisdom of the coal exodus but it must be replaced with something that is cost effective," said Commissioner Wise. "Nuclear power remains among the lowest cost energy source, with a 92 percent reliability rating and it is carbon free. Nuclear deployment takes time and I refuse to sit on my hands," added Wise.

The Georgia Public Service Commission is a five-member constitutional agency that exercises its authority and influence to ensure that consumers receive safe, reliable, and reasonably-priced telecommunications, electric and natural gas service from financially viable and technically competent companies. For more information on the Commission visit our web site at www.psc.state.ga.us .