November 5, 2019

To: Jason Shaw, Commissioner, District 1
Georgia Public Service Commission
244 Washington Street, SW
Atlanta GA, 30334-9052
jshaw@psc.ga.gov

Re: Docket 42516 Georgia Power Company's 2019 Rate Case

Commissioner Shaw,

It was good to meet with you Thursday.

I have not met anyone unaffiliated with the electric power industry who supports a rate hike for Georgia Power, especially not a mandatory connection fee. Many people around here are already struggling to balance electric bills, grocery bills, and gas bills. A mandatory connection fee would most greatly affect those least able to afford it. Despite Georgia Power's arguments, the beneficiaries of such a rate hike would not be its customers, rather its investors, following a playbook spelled out by the electric utility industry think tank Edison Electricity Institute back in 2013.

I urge the Georgia Public Service Commission to reject Georgia Power's request for a connection fee raise, or at the least to make it as minimal as possible. Georgia Power as a regulated public utility should be "A Citizen Wherever We Serve," not an agent for its investors to get more profit at the expense of its customers.

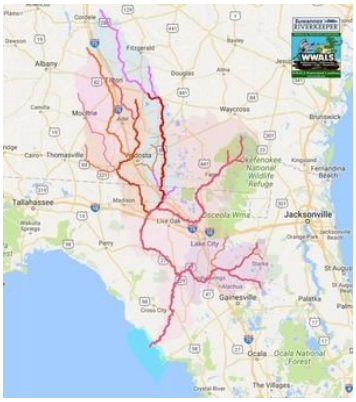
It is not surprising that Georgia Power is in need of funds, due to Southern Company's failing Big Bet on Plant Vogtle eating up ever more money, and cleanup costs for the coal ash that Georgia Power generated over many years, knowing full well that some day it would have to be cleaned up to keep it out of our rivers and drinking water.

Way back in 2013, Google had already bought enough wind and solar power to generate almost as much electricity as the two nuclear units at Plant Vogtle are some day supposed to produce, and Google paid less than the cost overruns for Vogtle at that time. http://www.l-a-k-e.org/blog/?p=206 Six years later, Georgia Power customers are still paying for nuclear electricity they are not getting. As solar and wind power costs continue decreasing, how many years will it be before Georgia Power customers have to start paying for cleanup after the shutdown of Plant Vogtle? At least in South Carolina, citizens are not paying for further cost overruns before that happens. Georgia Power argues that none of the present rate hike is related to Plant Vogtle, but any source of income would help defray that Bad Big Bet.

Perhaps the executives and board members who were responsible for those unfortunate decisions should be the ones paying for the resulting shortfalls. As a Southern Company stockholder myself, I like the customary annual dividend increase, but I wonder why that should be more important than the economic well-being of Georgia Power's customers.

It is prudent for PSC staff to seek independent data and analysis of any claims Georgia Power makes in arguing for this rate increase. History shows such utility claims don't always match the best evidence available, for example the last time Georgia Power tried a similar rate hike.

As we discussed, before you were on the PSC, Georgia Power wanted a connection fee for



PO Box 88, Hahira, GA 31632
850-290-2350
wwalswatershed@gmail.com
www.wwals.net
WWALS is an IRS 501(c)(3) nonprofit charity est. June 2012.

Mission: WWALS advocates for conservation and stewardship of the Withlacoochee, Willacoochee, Alapaha, Little, Santa Fe, and Suwannee River watersheds in south Georgia and north Florida through education, awareness, environmental monitoring, and citizen activities.

solar power generators. This was back in 2013, when it never actually got to the PSC, because Sierra Club and others organized Town Halls around the state, in which the public response was overwhelmingly opposed. http://www.l-a-k-e.org/blog/?p=6231

Mary Landers reported for SavannahNow, October 17, 2013, "Ga. Power proposed rate hike, solar fee blasted,"

> *""Unconscionable" and "theft" were two of the words used Thursday evening to describe a residential rate hike and fee on solar installations proposed by Georgia Power...."*

Mary Landers also reported for SavannahNow, October 15, 2013, "Ga. Power rate hike, solar fee focus of town hall meeting,"

> *"...Georgia Power argues it needs to impose the fee to make customers with solar on their roof - and no long term agreement for selling it to the monopoly power - pay their fair share for accessing the grid when they need it.*
>
> *At a recent PSC hearing Commissioner Chuck Eaton asked why solar power is being singled out.*
>
> *"In the end, what is it about solar that's unique in reducing one's electric usage versus other techniques that are available to reduce electric usage?" he asked.*
>
> *Greg Roberts, Georgia Power's vice president of pricing and planning, replied solar is unique because it's intermittent and doesn't permanently reduce demand.*
>
> *"...But the load hasn't changed. That underlying load hasn't changed. It's just sometimes their generator is supplying and sometimes we're supplying or sometimes both of us are."*

Since I have 15 kilowatts of solar panels on my farm workshop roof, I can attest that my electricity generation does, in fact, change the utility load. Much of the power I generate I use right here on the farm, without it ever going through the utility meter, thus reducing the amount of electricity Colquitt EMC has to generate. The whole rationale for Georgia utilities paying solar generators less per kilowatt-hour than the customer pays the utility is that the utility is paying the "avoided cost" of not generating that power by the usual utility methods. Surely Mr. Roberts knows that.

In addition, Austin Energy in 2013 studied this issue. Chris Warren wrote for Oxford American 7 June 2013, The Revolution Will Be Solarized,

> *To come up with a true value of solar to the utility, Austin Energy formulated numerical values for all of the benefits yielded by each kilowatt-hour of distributed generation. These included not only the actual electricity produced but also the elimination of line losses as well as costs the utility could avoid by not building, or even delaying, construction on more generation. "If you put off a billion-dollar decision for one year, that's at five percent interest," said [Karl] Rabago. "It's a big savings in cash each year."*

Due to that study, Austin Energy started crediting "homeowners who have installed solar at a rate three cents higher than retail for every kilowatt-hour produced…."

The Minnesota Department of Commerce came to similar conclusions.

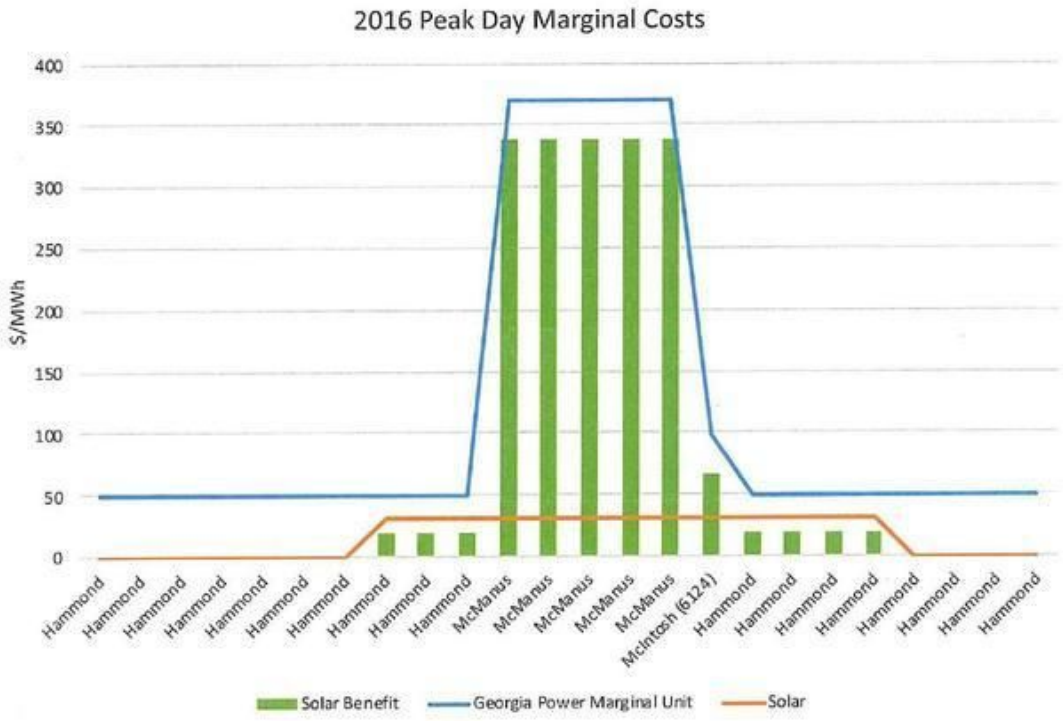
https://programs.dsireusa.org/system/program/detail/5666

Minnesota utilities have not chosen this so-called Value of Solar Tariff, because Minnesota instead has Net Metering: "customer may opt to receive payment or credit on next bill at the retail utility energy rate."

https://programs.dsireusa.org/system/program/detail/282

Such net metering is already better than the Georgia standard of "avoided cost" payment rates from the utility to the solar power generator, which always seem to be significantly less than the retail rate the local customer pays for electricity generated by Georgia Power.

You may know Karl Rabago, the author of that 2013 study for Austin Energy. He testified before the Georgia PSC in the 2013 Georgia Power IRP case, and also this year, Document Filing #176945, Docket: 42310, May 8, 2019, in which he filed this Exhibit:



As that graph indicates, local solar generation typically produces more power than the local generator can use in the middle of the day, thus relieving load on other sources of electricity that thus do not have to (or can not) ramp up. Mid-day is also peak demand time during much of the year. It's also where utilities typically make much of their revenue, as I testified to the PSC in June 2013. http://www.l-a-k-e.org/blog/?p=4411

In a further benefit, as WWALS Board Member Garry Gentry testifed to the PSC in June 2013, reading a letter from our Board, solar power uses far less water than any of Georgia Power's traditional generation methods, and emits no pollutants to foul our waters. http://wwals.net/?p=679

About the current rate case, Mary Landers wrote for SavannahNow, September 30, 2019, "Hearings begin on proposed Georgia Power rate hike,"

> *"The Company is seeing an increasing penetration of customer solar generation on its system and expanded participation in energy efficiency. Interest in behind-the-meter customer generation is also increasing.... Additionally, new technologies like smart thermostats enable customers to make informed decisions on how and when they use our system. In fact, Georgia Power, through its Marketplace site and other channels, is responsible for the installation of nearly 100,000 smart thermostats since 2013. As customers adopt these and other supply and demand-side technologies and install more efficient appliances, the Company must be sure it can help its customers with this transition," wrote Georgia Power's Larry Legg."*

Charging its customers more just to connect to its grid is hardly a way to help Georgia Power's customers. As I have argued at Southern Company stockholder meetings every year starting in 2012, Southern Company and Georgia Power have the geographic reach and private research and development expertise to speed the real transition to a smart grid powered by sun, wind, and water power, and nothing else.

Some of Legg's argument seems carried over from the 2013 attempted solar rate hike:

> *"Sending more appropriate price signals will help customers make the most economic decisions, while also ensuring that other customers are not impacted by these decisions."*

A mandatory connection rate hike is a signal for customers to find some other source of electricity than Georgia Power.

Edison Electric Institute (EEI) warned all the electric utilities that they risked disruption on the scale of what happened to the telephone companies with the rise of the Internet, in its January 2013 report, "Disruptive Challenges: Financial Implications and Strategic Responses to a Changing Retail Electric Business,"
http://www.l-a-k-e.org/topics/solar/2013-01-01--eei-disruptive-challenges/

What Georgia Power is attempting (again) is the very first of the "Immediate Actions" EEI recommended:

- *Institute a monthly customer service charge to all tariffs in all states in order to recover fixed costs and eliminate the cross-subsidy biases that are created by distributed resources and net metering, energy efficiency, and demand-side resources;*

Why? EEI was pretty blunt about that:

> *"Investors have no desire to sit by and watch as disruptive forces slice away at the value and financial prospects of their investment."*

Instead of attempting to gouge money from customers for its investors, Georgia Power would be well-advised to look at one of the "Longer-Term Actions" EEI added almost as an afterthought:

> *"Identify new business models and services that can be provided by electric utilities in all states to customers in order to recover lost margin while providing a valuable customer service—this was a key factor in the survival of the incumbent telephone players post deregulation"*

If Georgia Power and Southern Company do not get on this, somebody else will. I don't know whether it will be EMCs, startup community solar, NextEra moving in from Florida, or something else. But Georgia Power risks going the way of AT&T Longlines.

I ask the PSC to refuse this rate hike, thus sending Georgia Power a signal to get on with the job of leading Georgia, the southeast, and the world into a renewable energy future.

For the rivers and the aquifer,

John S. Quarterman
/s
Suwannee RIVERKEEPER®
229-242-0102
contact@suwanneeriverkeeper.org
www.suwanneeriverkeeper.org