Georgia Overview

Market Structure and Risk Allocation

Georgia's electricity sector operates under a vertically integrated regulatory model. The largest utility, Georgia Power, owns generation, transmission, and distribution and recovers the cost through retail rates approved by the Georgia Public Service Commission (PSC). Georgia Power's scale makes it the primary focus for statewide planning and cost allocation decisions, despite other service providers. In a vertically integrated utility, the primary policy question is not competition or price discovery but regulatory cost recovery and fair risk allocation.

The Territorial Electric Service Act in Georgia defines service territories, including limited retail choice for certain large manufacturing or commercial customers, which shapes how large customers like data centers are assigned to utilities and prevents duplication of infrastructure – an important constraint on where risk is assigned. In a vertically integrated utility model, utilities can petition regulators to include cost in rates base, and the PSC scrutinizes long-term forecasts and investment plans to assess prudence.

Scale of Growth and Market Trends

Atlanta is quickly emerging as one of the fastest-growing data center markets in North America. As per CBRE's 2025 data, Atlanta concluded 2025 with approximately 1,459 MW of total data center inventory, reflecting an annual increase of nearly 459 MW and solidifying its position as the second-largest U.S. market behind Northern Virginia. Atlanta's under-construction data center pipeline totaled approximately 2,076 MW, as of year-end 2025.[78] Continued hyperscale, cloud, and AI-driven demand has sustained strong colocation leasing activity and contributed to tightening market capacity. This rise is mainly driven by both traditional colocation customers and tenants seeking GPU-as-a-service (GPUaaS) deployments.[79] A 2025 PSC-approved IRP outlines nearly 9,885 MW of new generation capacity largely to meet projected demand increases, driven mainly by data centers.[80]

Policy Responses and Customer Risk Protection

The Georgia PSC approved new rules in January 2025 that modify how large load customers (larger than 100 MW) are billed and contracted by Georgia Power.[81] This requires large loads like data centers to pay certain site-specific and upstream costs for generation, transmission, and distribution during construction, enforce minimum billing periods, extend contract lengths (from 5-year typical terms to 15-years), and subject each new large load contract to PSC review. The intention of this rule is to help ensure that incumbent customers are not left paying for infrastructure built for high-usage customers that might fail to materialize or that might depart early.

These protections address the risk pathways to retail customers by shifting part of the incremental and stranded cost risk to the data center customers themselves. Staging cost responsibility and enforcing minimum billing reduces the likelihood that investments are stranded mid-deployment. Longer contract terms mitigate the 'walk-away' risk if data center operations are disrupted. Regulatory review of new contracts allows transparency and oversight into long-term cost commitments.

Moreover, the PSC's ruling to keep base retail rates frozen through at least 2028 provides near-term pricing stability for ratepayers, even as the underlying cost pressures from growth continue. [82] While this freeze does not directly protect retail consumers from all cost pathways, it demonstrates an intentional approach to manage timing and exposure of retail impacts.

[78] CBRE. (2026, March 4). *Atlanta emerges as one of North America's fastest-growing data center hubs.* CBRE. https://www.cbre.com/press-releases/atlanta-emerges-as-one-of-north-americas-fastest-growing-data-center-hubs

[79] GPUaaS is a cloud-based service that provides users with on-demand access to high-performance graphics processing units (GPUs).

[80] Herrera, M. C., Morton, L. S., & Rueger, J. (2026, January 7). *Georgia Public Service Commission approves Georgia Power's major generation expansion to support data center load.* Mondaq (Oil, Gas & Electricity). https://www.mondaq.com/unitedstates/oil-gas-electricity/1727972/georgia-public-service-commission-approves-georgia-powers-major-generation-expansion-to-support-data-center-load

[81] Georgia Public Service Commission. (2025, January 23). *Media advisory: Data centers rule* (PDF). https://psc.ga.gov/site/assets/files/8617/media_advisory_data_centers_rule_1-23-2025.pdf

[82] Georgia Power. (2025, January 9). *Georgia PSC approves plan to freeze base rates through 2028* (Press release). https://www.georgiapower.com/news-hub/press-releases/georgia-psc-approves-plan-to-freeze-base-rates-through-2028.html