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Docket No. 36498

In Re: Georgia Power Company's 2013 Integrated Resource Plan and Application for Decertification of Plant Branch Units 3 and 4, Plant McManus Units 1 and 2, Plant Kraft Units 1-4, Plant Yates Units 1-5, Plant Boulevard Units 2 and 3, and Plant Bowen Unit 6

Docket No. 36499

In Re: Georgia Power Company's Application for the Certification of Amended Demand Side Management Plan

DISSENT OF COMMISSIONER WISE

I hereby register my DISSENT to the vote taken by the Commission in these Dockets as that vote relates to the requisite expansion by Georgia Power Company in the arena of solar energy. In my opinion this unprecedented vote by this Commission steers the energy policy of this state in the wrong direction.

Do not read my dissent as a statement that I am against solar energy. I support the Advanced Solar Initiative (ASI); however, there are stark differences in the ASI and what is proposed here. The ASI program has as its genesis the inclusion of biomass generation as an energy resource. When sufficient biomass resources did not emerge, the Commission, along with Georgia Power, filled the gap with solar energy. In contrast, this expansion of solar energy was not planned or proposed by Georgia Power Company in these dockets. Rather, it was conceived and advanced without regard to Georgia Power being long on power.

While the ASI program was voluntarily brought before the Commission by Georgia Power, the solar program passed by the Commission in this docket results in a force-fed mandate. Though this solar program may not be characterized as a Renewable Portfolio Standard (RPS) where the utility chooses the renewable among various forms of renewable generation, in my opinion what the Commission has approved is worse than an RPS. The Commission's approved program is mandating a specific renewable and by doing so has predetermined the winner -- solar.

I echo the recent sentiments of Governor Deal by stating that we should be very careful that we do not do something simply because it sounds good without understanding all of the ramifications. The vote on this solar program was taken without full knowledge regarding the price of solar energy or even the trend, if there is one, of the price. While Georgia Power may already have received bids within the ASI program, the Commission does not yet know what those bids are, or what impact they will have on the Company's ratepayers.

I fear that the Commission's approval of this solar program is both imprudent and irresponsible. Georgia Power was asked in open meetings leading up to the vote whether this program will put upward pressure on rates, and the response from Georgia Power is that they really did not know whether there would be such upward pressure. Despite not knowing the rate impact, the Commission approved this program, potentially putting the ratepayer at risk.

The Commission took this action fully knowing that Georgia Power has an excess reserve margin of between 25 and 30 percent. In essence, the Commission is forcing Georgia Power Company to purchase power that is not needed, for a price that we do not know whether it is economical and whose reliability is intermittent, at best. There is no excuse for forcing a utility to purchase power it does not need, whether that additional power comes from natural gas, nuclear or solar generation. Further, evidence on the record provides that this Commission has never taken this unprecedented step in modern history.

The solar program passed by this Commission will bring online an energy source that will likely displace less costly generation. This is why I offered an amendment to the main motion, which passed, that prohibits Georgia Power from accepting any bid that is above the utility's levelized avoided cost. Further, a friendly amendment by Commissioner Everett requires the Commission to approve the determination of the levelized avoided cost prior to initiating the RFP process. Georgia Power must also utilize the most recently available generation cost information to ensure that the additional solar acquisition does not put any upward pressure on rates. Although these changes make the initiative less problematic and insert some much needed consumer protections into the process, this is still bad policy. Common sense tells us that when you shut down a cheap natural gas plant so the Company can write a check to a solar developer for premium priced power, rates will go up. Even if the bids do come in within or below avoided cost, that should not be the only determining factor for whether this is good public policy. As I tried to articulate at hearing, just because wiregrass, biomass and wind may all come under levelized costs, does that mean we should add another 500 megawatts of each? At what point does it move from being a policy decision of the Commission to just plain bad policy? Solar is not a substitute for base load generation. It is intermittent and you cannot store the energy that it produces. It costs more to generate and no expert with credibility has asserted it is at grid parity with other traditional forms of generation. You still need the electrical system to prop up solar. It cannot stand on its own without subsidy. Even in the ASI program bidders recognize the federal income tax credit is critical to making the projects work economically.

The Commission also should have accepted one of my amendments which would have set limits on the sizes of the projects to be proposed. Such a policy would have been consistent with the ASI and would have maximized participation. As it stands now, a handful of bidders, including Georgia Power Company, can submit proposals for mega-projects that would consume the entire 500 megawatts. Or worse, because the Commission set no parameters, a single company could conceivably offer an attractive bid that consumes all 500 megawatts.

Energy diversification is good and Georgia Power's proposals in these dockets recognize the value of diversity. I have supported such diversification in the past and will continue to advocate for energy diversification. Solar energy can, and should, have a place within a diverse generation and energy portfolio. What the Commission has attempted with its vote on the expansion of solar energy in this docket is not the right resource or program for Georgia at this time.

Smart energy purchases are better left to the experts with the long view in mind, not the social engineers. But that is the result of this vote by the Commission, social engineering. Rather, the Commission has engaged a Washington-style, feel good energy policy, not based on economics or any rational public policy argument.

This Commission should have rejected this expansion of solar energy; we should have accepted the Stipulation entered into by Georgia Power and the Public Interest Advocacy Staff without the amendment that has created a new solar energy program for Georgia. We should have deferred this debate until such time that Georgia Power demonstrated a need for more power and more current solar pricing data could be analyzed so that we could make smarter decisions on the deployment of this energy resource.



Stan Wise
Commissioner

7-17-13

Date