



Contact: Chuck Eaton
Phone: 404-657-2020
www.psc.state.ga.us

Georgia Public Service Commission

244 Washington St S.W.
Atlanta, Georgia 30334
Phone: 404-656-4501
Toll free: 1- 800-282-5813
Fax: 404-656-2341

Embargoed until 9 a.m. July 29, 2014

52-14

NEWS RELEASE

FROM THE OFFICE OF COMMISSIONER CHUCK EATON **REMARKS OF COMMISSIONER EATON TO EPA HEARING ON JULY 29, 2014**

ATLANTA – July 28, 2014 - Good morning, my name is Chuck Eaton. I am Chairman of the Georgia Public Service Commission. Thank you for holding public hearings in Atlanta and for the opportunity to speak today.

The mission of the Georgia Public Service Commission is to ensure that consumers receive safe, reliable and reasonably priced telecommunications, electric and natural gas services from financially viable and technically competent companies. Through the PSC's constructive regulation, we have provided an environment that supports growth for our state's economy. Today's proposed rule will significantly impact not only the operation of existing power plants in Georgia, but also the operation of the electric system as a whole. As Chairman of the Georgia Public Service Commission, I am deeply concerned that this rule intrudes on the state's electric regulatory authority. This rule also ignores the thorough process that the PSC undertakes to accomplish its mission. As a result, I am concerned that this rule, in combination with EPA's proposed rule for new power plants, will increase the cost of power to our citizens and unnecessarily strand investments we have made in the existing generation fleet.

Georgia has a robust energy planning process for electric utilities that involves long-range planning with a focus on customer and economic impact. Georgia law requires utilities regulated by the Commission to file integrated resource plans at least once every three years. Once these plans are filed we undertake an intensive six-month process to scrutinize and evaluate the demand-side and supply-side options included in the plan. We hold three rounds of hearings, parties intervene, witnesses testify, and based upon that record we approve a plan that will help ensure safe, reliable, and affordable power.

EPA's proposed rule overrides the Commission's authority to determine the cost-effective energy mix for Georgians, including the amount of renewable energy deployment and energy efficiency improvements. Yet, renewable energy and demand-side energy efficiency are key components of our resource planning process and the PSC has already taken significant steps to diversify the portfolio of resources that serves Georgia citizens.

Georgia has been nationally recognized for our expansion of solar energy in this state. Our solar programs represent the largest voluntary expansion of solar resources in the United States. We have also added 250 MW of wind to our renewable portfolio. Our renewable energy expansion has been undertaken in a manner that limits upward pressure on customers' rates, while ensuring Georgia is a leader in cost-effective renewable development.

We have also advanced demand-side energy efficiency. We currently have a DSM working group comprised of diverse stakeholders that evaluates and recommends cost effective energy efficiency measures. The recommendations from that working group feed directly into our resource planning process. It is in that forum that the PSC can make an informed decision regarding the amount of cost-effective energy efficiency that can be achieved. As a result of that process Georgia Power will spend almost \$500 million on demand-side energy efficiency programs over the next 10 years. Finally, we are also one of the few states that will bring on line new, state-of-the-art nuclear generation in the near future. These successes in renewables, energy efficiency and nuclear development have all been accomplished through the constructive, deliberative regulatory process in Georgia.

In contrast, EPA's rule development process lacks the rigor and veracity of our resource planning process. The proposed rule would effectively require a redesign of the state's energy resource plans, essentially dictating which generation resources will be used, without regard to cost. For example, the proposal assumes that Georgia can increase renewable energy by 273% from 2012 levels and increase demand side energy efficiency to 9.83% by 2030 in order to meet EPA's carbon reduction goal. The proposal also assumes that existing generating units will be retired. In Georgia we have already certified the retirement of over 3000 MWs of coal resources, largely in response to environmental requirements. The proposal assumes that Georgia will retire another 3900 MWs by 2025. Retiring these additional MWs will strand the significant investment Georgians have already made in the existing coal fleet- billions of dollars- to reduce our environmental footprint. Georgians are entitled to reap the benefits of the investments they have made in the form of cost-effective electric power from those plants.

EPA's proposal would thus significantly limit fuel diversity and increase the cost of electric power in Georgia and nationwide. As Chairman of the Georgia PSC, I do not believe that it is in the best interest of our state or its citizens. I ask you to please reconsider this rule.

Commissioner Eaton is in his second term year on the Georgia Public Service Commission, having been re-elected statewide in November, 2012. His complete biography and photo are found on the Commission web site at <http://www.psc.state.ga.us/content.aspx?c=/commissioners/chuck-eaton/?tab=2> .

###