

Attachment – Additional Questions for the Record

*Responses from Commissioner Tricia Pridemore,  
Commissioner, Georgia Public Service Commission*

The Honorable Jeff Duncan

1. During the hearing, we heard that reliably planning and operating the system are increasingly more difficult when new reliable generation and accompanying infrastructure like pipelines are not being added. Despite state and federal policies that limit the ability to use existing resources and add new capacity, the importance of these resources is growing due to the intermittent nature and weather dependence of renewables like wind and solar.
  - a. What are the biggest challenges to adding new thermal infrastructure, like natural gas pipelines and generation? What can Congress do to reduce challenges to building this infrastructure?

*The biggest challenges for states looking to add additional thermal infrastructure and generation is Congressional pipeline permitting reform, getting new pipelines approved through Federal agencies and the national acceptance that natural gas pipeline infrastructure will be with us for many more decades to come. This infrastructure can be utilized for hydrogen blending and transportation, Renewable Natural Gas (RNG), and Certified Natural Gas (CNG), including the plentiful and cleaner natural gas available to us in America. For states like Georgia that do comprehensive Integrated Resource Planning (IRP) in a vertically-integrated state, we can authorize our utilities to procure new natural gas infrastructure for electric generation and high-heat purposes without the burdens of a Regional Transmission Operator (RTO) or merchant generation that has proved to be less nimble and more expensive.*

- b. Can you explain the importance of prudence over pace with respect to adding renewables and explain how adding solar and wind resources requires additional thermal resource capacity?

*Solar and wind electric generation have a role in a diversified generation portfolio, but they do not provide base load capacity. If the sun doesn't shine or the wind doesn't blow, they do not generate. It's that simple. Battery Energy Storage Systems (BESS) can help smooth out the balances, but batteries are expensive, challenging to procure through tight supply chains, and currently only have a maximum storage threshold of 2-4 hours. Winter accessibility to capacity is a serious challenge as the days are shorter and solar is*

*even less effective. Solar and wind should be part of a diversified mix of resources including nuclear, hydro, natural gas and coal where appropriate.*

- c. Is building redundant generation simply the meet aspirational policy goals prudent and cost effective? What effect does this have on customer bills?

*Building redundant generation to meet aspirational policy goals is not prudent or cost effective. Solar and wind purchases should not outpace the demand and baseload capacity of the system. In Georgia, we operate a Winter Reserve Margin and require the utility to establish the required capacity to account for winter shortfalls on the darkest, coldest days. Solar and wind should be part of a diversified mix of resources including nuclear, hydro, natural gas and coal where appropriate.*

2. An increase in the number of data centers, new manufacturing, and electrification are expected to greatly increase electricity demand in the coming years. How are state commissions positioning themselves to handle this load growth while protecting ratepayers from unnecessary rate increases and the potential for stranded costs?

*Numerous state commissions are working on dockets to support the needs of data centers, new manufacturing, and electrification to support the rapidly growing demand for electricity in the US. Vertically-integrated states without the burdens of an RTO or multi-state Independent System Operator (ISO) are uniquely positioned to meet the demand faster and less expensive than their counterparts. In Georgia, we recently passed an Interim IRP to support the economic development needs of the state to provide 7,100 mW of new capacity at no cost to residential ratepayers. To meet market demands quicker, three new natural gas units were approved, two Power Purchase Agreements (PPAs) for additional natural gas energy from states with dropping demand, 1000 mW of new BESS, and some utility-scale solar will meet the initial demand of new AI-driven data centers and manufacturing. Georgia is leading the nation in the on-shoring of American manufacturing, and our energy policy is central to this work. States can achieve similar results and provide pathways for the technology companies and manufacturers to cover the costs.*

3. The Environmental Protection Agency's latest electric generating unit proposal requires coal and natural gas resources to retire or to employ carbon capture and storage or co-fire with hydrogen. In your opinion, are these technologies commercially viable and the best systems of emissions reduction?

*The EPA's latest electric generating unit proposal requiring coal and natural gas resources to require carbon capture or hydrogen is not at all based in current reality. Carbon capture and sequestration (CCS) is a novel and interesting concept, but not deployed in the United States. The technology is in development, but not ready for commercial use. In Georgia's Integrated Resource Planning process to meet reliability needs, we have not included CCS as a requirement to offset coal and natural gas electricity generation because the technology is not ready. Same for hydrogen. Although hydrogen represents other new technology advancements, it's not being deployed in America due to it not being ready for commercial use. In the April 2024 report of The National Petroleum Council report "Harnessing Hydrogen: A Key Element of the U.S. Energy Future," the NPC estimates a minimum cost of \$1.7 trillion in total capital expenditures to begin hydrogen deployment in the U.S. The report also enumerates the early-stage of hydrogen research. For example, the report does not consider nuclear feedstock, but mostly ammonia which is widely criticized by environmentalists.*

- a. Are you able to estimate the costs to comply and would you be able to justify the costs to comply to your ratepayers?

*State Commissions are discussing the cost implications of the latest EPA rule making, but it's nearly impossible to estimate costs on implementation of new technology that is not yet commercially available. The EPA rules are attempting to price coal and natural gas out of use, but there is nothing yet to fully replace this baseload capacity except for nuclear. In 2024, Georgia completed the first nuclear units in America in the last 30 years. Although necessary to provide clean, baseload power, it is not feasible to see new nuclear join America's electric grid within the next 5-10 years.*

- b. Is this proposed rule workable without causing severe and widespread reliability issues?

*This EPA proposed rule is not workable for states to ensure reliability. The rule gives little to zero regard for resource adequacy, the increase in need for new electricity capacity, and the already-existing rapid retirement of baseload energy generation in states with Renewable Portfolio Standards (RPS).*

4. The Federal Energy Regulatory Commission (FERC) is considering changes to transmission planning and cost allocation. Among the most pressing concerns related to transmission projects is the question of "who pays", commonly referred to as cost allocation. Along with rates needing to be just and reasonable, assigning costs for transmission commensurate with the

benefits received is a bedrock principle of the Commission's orders. However, the Commission's proposed transmission Rule appears to broaden what constitutes "benefits" as a means to socialize the costs of expensive transmission lines that will be paid by captive customers who may not actually "benefit" from the transmission lines and the electric energy flowing through them. In other words, customers likely will be required to pay for transmission lines built for the benefit of certain subsidized generation, special interests, and/or other state public policy goals rather than for reliability and a demonstration of need.

- a. Who is best positioned, individual states or FERC, to determine overall end-use customer bill impacts of various energy policy choices?

*State Commissions are legally responsible to their citizens for energy system safety, reliability and affordability. Although the Federal Power Act gives FERC jurisdiction over the organized RTO markets, and some single state and multi-state ISOs, many states in the U.S. are maintaining their own systems very well and do not have RTOs and ISOs. Transmission actions by the FERC should not overstep state jurisdiction whether or not they're in an RTO or ISO. State Commissioners live and work among those they serve and understand the needs of the states and systems better than a top-down federal agency approach. State Commissioners and legislatures answer to customers for the cost of energy and any action by the FERC on nationwide transmission reform will most likely not benefit customers. Utilizing land and resources in rural America to move solar and wind generation to the northeast and other large load cities is expensive, unreliable, and does not benefit the states where that load is generated. Any FERC proposal to socialize the costs of that transmission in non-RTO and RTO-ISO states will only make customer bills rise and is not just, reasonable, fair or equitable.*

- b. Would FERC adopting policies that promote or presume a large transmission buildout result in FERC effectively choosing for all states what their generation resource mixes will or should be? Does the Federal Power Act give this authority to FERC or the states?

*The Federal Power Act gives this authority to the states, and not to the FERC to make state energy policies. What a state generates, how they transmit it and distribute that energy is the responsibility of the states. FERC adopting policies that promote or presume a large transmission buildout is an overreach of FERC's jurisdiction.*

- c. Are you concerned that cost-causing states will shift costs to customers in states that have no interest in pursuing such transmission for other states' public policy decisions?

*I am deeply concerned that states creating costs to serve their loads and their environmental policies will socialize those costs to other states based on FERC's transmission order filed May 14, 2024. Federal courts have repeatedly sided with states affected by the unintended and unwanted costs socialized by cost-causing states.*

- d. Should states be able to opt-out of cost allocation methodologies that either undermine their own valid state public policies, or that will result in their state's customers subsidizing the public policy choices of other states?

*States should certainly be able to opt-out of cost allocation methodologies that undermine their state energy policies and result in subsidies to other states. Electric utilities have a legal obligation to serve, and states have a legal obligation to regulate those utilities and protect customers.*

5. As Congress looks to identify relevant statutory provisions relating to reliability and resource adequacy, from the state commission perspective, are there any updates to the Public Utilities Regulatory Policies Act of 1978, the Federal Power Act, or Department of Energy Organization Act of 1977 that may assist you in your work to assure reliability and resource adequacy?

*States must reassume control of their generation, transmission and distribution from RTOs, ISOs, and federal agency rule-making. These top-down approaches on policy only increase customer prices. These increases mean more than ever to Americans, as the cost of energy has risen 32.3% since January 2021. Realigning the EPA, DOE and FERC solely back to the powers given them by Congress will assist states in fulfilling their constitutional and legal duties.*

### **The Honorable Robert E Latta**

1. I have over 86,000 manufacturing jobs in my district. Reliable and cheap energy is what keeps these jobs possible. Simply put, if the lights don't come on in the morning, they're all out of a job. I've had officials from FERC and DOE testify before this Committee and they all confirmed that the United States needs more reliable energy and not less. Can you elaborate why changes in the electric industry, particularly around bureaucratic rules, have complicated a state's ability to provide cheap energy to the customer?

*Congratulations to you and your district for providing good American jobs! Your state and others, are proud to be a part of creating and supporting American jobs. Access to cheap and reliable energy is a right of American businesses and citizens. Particularly, commercial and industrial customers are deeply reliant on state commissions and utilities to keep the lights on and the lines moving. Through comprehensive Integrated Resource Planning (IRP) that includes a diversified electricity generation mix of baseload (nuclear, hydro, coal, natural gas) and renewables (solar and wind), states can ensure reliability to citizens and businesses. Reassuming jurisdictional control from RTOs to ensure generation meets state demand is a critical option in states reliant on RTO and merchant generation. For districts and states like yours, blackouts (aka load shed) is not an option. I believe that blackouts should not be an option for any state or utility in America. We do not live in the third world, we are America, with technology and financial abilities surpassing others. In America, load shed should never be considered the norm to meet aspirational environmental policy goals.*

- a. With all those changes you describe, do RTOs and ISOs like PJM provide enough flexibility for state commissions to properly plan for their systems over the long-term?

*RTOs and ISOs have varying degrees of flexibility based upon whether the state has a deregulated electricity market, vertically-integrated investor owned utilities and the number of states with Renewable Portfolio Standards (RPS). For example, PJM relies on merchant electricity generation in deregulated electricity states. In shorthand, if PJM does not do their job, states suffer blackouts and higher-than national electricity costs. State Commissions who've ceded their responsibilities must reassume their responsibilities to manage their systems and work with other state policy makers to ensure resource adequacy, reliability and affordability for their citizens. Long-term planning is possible for all states, event those in an RTO or ISO.*

2. In your opinion, what is the best course of action to retain reliable generators when there are competing regulatory structures? How can this keep electricity costs affordable?

*The best course of action to retain reliable generators when there are competing regulatory structures is to get out of the competing regulatory structures, work with other state policymakers to extend an RPS where one exists to provide more time for technology advancements to catch up to environmental goals, ratebase natural gas storage and firm transportation*

*for electricity generation to ensure commodity access, and ensure the generators are investing in improving their systems. State Commissioners in deregulated markets have an added challenge to always buy the least-cost resource. Utilities competing on price alone have no incentive to invest in the health and welfare of their respective systems. Electricity costs can be made much more affordable overtime when systems have investment and care, utilities earn a prudent rate of return and remain financially healthy, and generation is approved or purchased with long-term needs for winter and summer peaks. Customers are best served when they have a regulator that works in their interests and bureaucratic costs are kept to a minimum.*

3. Many have suggested that it was a flaw that the obligation to serve – a standard that utilities must adhere to – was taken away when some states restructured the electricity sector in their state. The removal of the obligation to serve may have changed the incentives of market participants. The removal of the obligation to serve may also have disincentivized bringing resources with necessary capabilities to reliably serve into the system, especially at a pace that keeps up with rate of load growth we are seeing. Your state is still regulated and the utilities serving those states still have the obligation to serve. With this obligation to serve, is your state positioned to address this threat?

*The electric utilities in Georgia have an obligation to serve, Georgia Public Service Commissioners have an obligation to the Georgia Constitution to regulate those electric utilities and protect utility systems for the benefit of customers. Having an obligation to serve and legal obligation to customers ensures that systems remain healthy and prepared for growth. Earlier in 2024, the Georgia Public Service Commission was the first state Commission in the U.S. to address the capacity needs of data centers and new on-shoring of American manufacturing. This allows companies coming to Georgia get to market faster by ensuring our electric utility will serve their demand. This creates new jobs, new local tax revenues, and keeps Georgia the number one state in which to do business.*

#### **The Honorable H. Morgan Griffith**

1. Utility ratemaking requires a careful balance of principles, such as reliability and affordability. In response to the Environmental Protection Agency's proposed Greenhouse Gas Power Plant Rule, do you believe that a compliance waiver program administered by the EPA, another federal agency, or federal regulator, would be prudent?

*The compliance waiver program proposed by the EPA in their proposed Greenhouse Gas Power Plant Rule is insufficient. Waivers are not an effective*

*form of regulation. Rule making should be more specific than opting for a waiver program. Consistency in regulation makes for more financially healthy utilities prepared to invest in their systems and maintain a reliable and affordable system.*

**The Honorable Debbie Lesko**

1. Can you please elaborate on the significance of attributes that dispatchable resources like coal and gas provide the grid, such as ramping, operating reserves, capacity and energy during peak demand, frequency regulation, voltage control, system inertia for stability, resilience against disruptions, buffering against variable energy sources, etc.?

*Dispatchable electricity generation is paramount when deploying significant kilowatts of solar and wind generation. When the sun does not shine – for example, every night – or the wind does not blow, these resources do not generate. Coal and natural gas provide dispatchable generation to make up the difference. These can be ramped up to meet demand or fill the gaps when renewables do not work. State Commissions should plan for peak demand through Integrated Resource Planning and consider winter and summer reserve margins based upon the weather norms of their state. Operating reserves of commodities are also essential. Having enough coal in the stack to hedge against slow supply chains and ratebasing natural gas storage and firm transportation are also ways the Georgia Public Service Commission requires our utility to ensure reliability for customers. Voltage controls and access to Grid Enhancing Technologies (GETs) can extend the usefulness of high-voltage lines and provide grid balancing enhancements. If our Nation is serious about meeting customer needs and increasing the generation and transmission of new electricity to meet 21<sup>st</sup> century technology and manufacturing needs, dispatchable generation is essential.*

- a. Do you think a mechanism put into place within the energy markets to compensate or ensure the availability of resources that possess such attributes would enhance grid reliability and affordability?

*Since January 2021, the U.S. has seen only federal agency policies that promote renewable energy sources. Whether it's access to federal spending programs or through agency rule making, dispatchable forms of electricity generation are being priced out of consideration at the very time America needs them most. Energy prices are 35% higher than in 2020, with these costs hurting American family's wallets. Meanwhile,*



*the reliability shortcomings of renewables do not seem to be considered by these federal programs. Putting a mechanism in place to ensure availability of dispatchable resources in energy markets would enhance grid reliability and customer affordability.*

2. At the state level you regulate with a tool called an Integrated Resource Plan or IRP. It requires a utility to look into the future and plan for grid reliability and affordability. Currently these RTO/ISOs are not required to do this type of planning even though their territories span large regional areas of the US. Do you think it would be helpful for these RTO/ISOs to provide FERC plans that are similar in scope to IRPs?

*I cannot stress enough the importance of Integrated Resource Planning on Georgia's success in energy growth and development. RTOs and ISOs should be required to do this planning for their systems and allocate the costs of their systems to their respective states in a just and reasonable manner. FERC oversight of RTO/ISO system planning would be an effective and appropriate use for FERC to fulfill their Congressionally designated authority to oversee electricity markets in the U.S.*

3. Should RTOs/ISOs have a similar policy such as "an obligation to serve"?

*Yes. RTOs/ISOs should have an obligation to serve and a contractual agreement with the states in their respective territories for that obligation.*

4. Utility Commissions are responsible for assuring reliable utility service at fair, just, and reasonable rates. How do you consider factors like reliability and affordability when pursuing climate and emissions goals?

*I strongly believe that every American wants clean air and water. Climate and emission goals are admirable, but they often include deadlines for achievement that are not in line with the technology realities of generation and transmission resources promoted by climate goal activists. Whether you're a State Commissioner in a state with an RPS or not, reliability is still the #1 priority answered to this question by State Commissioners, with affordability being a close second place. In Georgia, we put a premium on reliability in our planning processes, with affordability still ranking our rates 15% below the national average. We are transitioning to more cleaner energy sources with two new high-capacity nuclear units recently coming online at Plant Vogtle, we are #4 in the nation for solar approved by the Commission, and recently approved 1000mW of new Battery Energy Storage (BESS), all without an RPS.*

- a. How do you reconcile these factors with state goals when they conflict.

*In Georgia, these factors do not conflict because we do not have an RPS. We transition to cleaner energy sources and generate more electricity than ever to serve a growing and dynamic population.*

5. Although states set individual climate and emissions goals, actions by one state could affect other states due to the interconnected nature of the electric grid and the natural gas pipeline system.

- a. How are individual states' energy policies affecting regional or national reliability?  
Resource adequacy?

*Individual state's energy policies are affecting other states and the national reliability of the electric system when those state's climate goals and retirement of existing electric generation sources do not align. Retiring generation without replacing it with adequate generation puts reliability and the nation's grid at risk. Solar and wind generation has a place in a state's planning, but it does not work when the sun does not shine or the wind does not blow. Those renewable resources must be undergirded with reliable baseload such as nuclear and hydro, with dispatchable natural gas and BESS to address baseload and peak needs. Resource adequacy is a common topic among state commissioners because the limitations of renewable power sources and the frequency that state commissions are adopting those generation sources. In addition, Renewable Portfolio Standards (RPS) by states and the affect those policies have on RTOs and ISOs that generate electricity for the states in their territories.*

- b. How are your Commissions managing divergent state approaches to energy policy?

*State Commissions have always managed divergent state approaches to energy policy, and that's a good thing. Whether or not a state is in an RTO-ISO, State Commissions are responsible for the planning of generation and transmission to meet the needs of their respective states. That planning and management is coordinated and connected across state lines and through comprehensive regional planning, such as the planning that takes place in the southeast in SERTEP. State Commissions should not cede control of their responsibilities to regional*

*entities, but coordinate and collaborate to meet state goals. The difference in state policies has always been managed at the state level and that diversity of needs and opinions allows the system needs to be met. For those states that have ceded their control to an RTO-ISO, they should work with their legislatures, governors and state commissions to get that control back to protect the customers in their states. When blackouts and system problems occur, it is still the State Commissions responsibility. Control of the system should be aligned with responsibility and authority.*

6. EPA's power plant proposal effectively requires carbon capture and storage (CCS) or clean hydrogen, two commercially unproven technologies, to reduce carbon emissions by 90%. Since these technologies are unproven, can you discuss the potential reliability problems EPA's proposal would create for Georgia?

*EPA's power plant proposal requiring carbon capture and storage (CCS) or clean hydrogen to reduce carbon emissions is aspirational, but not grounded in reality. The technologies are not commercially available or proven. At no point has the Georgia Public Service Commission ordered Georgia Power (the state's vertically-integrated utility) to implement CCS or hydrogen in our comprehensive Integrate Resource Plan (IRP) or any other docket. That does not mean that those technologies might come of age and make a future IRP, but in as recently as last month when the GA PSC passed an interim IRP with an additional 7,100mW of new electricity capacity CCS and hydrogen were not included. Allowing a utility to put unproven technologies into their state plans, and charging customers for that unproven technology would be found by State Commissions to be imprudent and unreasonable.*

### **The Honorable Rick W. Allen**

1. We are proud of how Georgia's private and public utilities work together and work with the regulatory body in Georgia to bolster the reliability of the grid. Like how Oglethorpe Power, Georgia Power, MEAG and the City of Dalton partnered to bring the first new nuclear plant in the nation in 30+ years, in my district. Given that EPA's power plan proposal would force more reliance on renewable, intermittent energy to generate electricity at the same time the economy's demand for electricity is increasing, are you concerned that reliability in Georgia that you and your colleagues at the PSC have overseen will be threatened?

*Yes, I am deeply concerned that if the EPA power plan proposal goes forward as they've proposed reliability in the State of Georgia would be put at risk. In my opinion, the EPA proposal places a large and unnecessary cost burden on*

*the backs of customers while jeopardizing electricity reliability. In Georgia, we operate a combined electricity system across one investor-owned, vertically integrated utility, 41 electric co-ops with the generation division of Oglethorpe Power, 47 municipal electric providers of MEAG, including the City of Dalton. This collaborative approach to operations and transmission has made Georgia rank the number one state for energy for many years. This approach puts the needs of Georgians first and provides one of the cleanest, reliable and most affordable electricity systems in America. However, this approach takes hard work and a dedication to ensuring Georgia is a leader in energy. This arduous work is well worth it, and I encourage other states to seek a similar approach to put the needs of their customers first. For example, the Plant Vogtle expansion project for units 3 and 4 was challenging, with schedule delays and cost overruns, but this project will yield 60-80 years of clean, reliable power – 24/7/365 energy to support the needs of over 1 million Georgia households.*

### **The Honorable Kathy Castor**

1. The Georgia Public Service Commission has exclusive power to decide fair and reasonable rates for energy services under its jurisdiction, including with respect to services provided by Georgia Power, the state's largest utility.

I am concerned by reports that Georgia Power's parent company, Southern Company, spend \$191 million in activities related to political influence from 2015 through 2020 in annual filings to FERC, far more than many other utilities. Remarkably, Southern has never employed fewer than 49 lobbyists in a year over the last decade. Southern reportedly uses its exorbitant political budget to lobby, file comment letters, and engage in other activities aimed at supporting fossil fuels over cleaner energy sources and blocking transmission projects.

This Subcommittee should know the extent to which ratepayers in Georgia are funding political activities conducted by Georgia Power and how the Georgia Public Service Commission determines whether funds for political activities are fair and reasonable.

- a. Many utilities throughout the nation have made claims that they do not charge customers for lobbying activities, and subsequent regulatory audits have found them to be false. Has the Georgia Public Service Commission conducted any audits or investigations to determine whether Georgia Power is charging ratepayers for expenses related to regulatory affairs, government affairs, communications and public relations, lobbying, and other political activities?

*The Georgia Public Service Commission operates one of the most stringent rate case dockets on utilities in the U.S. Through the every-*

*three-year rate case process, the Georgia Public Service Commission reviews expenditures by Georgia Power and questions Georgia Power witnesses under oath on the efficacy of those claims and filings. The Georgia Public Service Commission does not permit Georgia Power to recover political expenditures in customer rates. Keep in mind, Georgia Power is one company inside the larger Southern Company corporation which includes non-operating companies that drive corporate profits such as Southern Power, Southern Link, Southern Nuclear, etc. Expenditures by Southern Company are not those of Georgia Power. This is a similar circumstance as in other operating companies and their parent corporations, such as Florida Power & Light to NextEra in your own state of Florida.*

- b. How does Georgia Public Service Commission assess whether expenses related to political activities, trade associations, membership dues, etc. benefit Georgia ratepayers?

*Determining just and reasonableness of rate recovery on customers sits solely in the value of benefit to customers. If trade associations and membership dues in those associations benefit customers by providing research and development of new technologies such as solar, wind, nuclear, transmission, hydrogen, carbon capture sequestration and others then there is customer benefit. If associations provide information sharing of best practices and state collaborations, then there is customer benefit.*