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Commissioner
Georgia Public Service Commission
“Powered Up: State Utility Regulators On Challenges to Reliable, Affordable Electricity”
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Subcommittee on Energy, Climate and Grid Security

Testimony:

Thank you for the invitation to speak with you today. I appreciate the kindness extended by Chairman Jeff Duncan and the other members of the Subcommittee on Energy, Climate and Grid Security. I would also like to thank Energy and Commerce Committee Chair Cathy McMorris Rodgers for her leadership.

My name is Tricia Pridemore and I am a Commissioner at the Georgia Public Service Commission, elected statewide to create and maintain a safe, reliable and affordable utility system in one of the fastest growing states in the nation. Electricity generation and transmission are paramount to Georgia. We operate in a shared operations and transmission format with one major investor-owned utility, 41 electric co-ops and 49 municipal electric providers. This shared system provides a great economy of scale and cost savings to customers. Much of our electric generation is mutually owned, our transmission is interconnected without costly redundancy across companies, and interconnected to five neighboring regions. We are not an island. Instead, we have made use of every ratepayer dollar to provide a more reliable system.

In 2024, Georgia is at a critical juncture in transitioning to more clean energy sources while experiencing historical increases in load growth. As the number one state for business for 10 consecutive years in a row, coupled with technology progression in electrification, more demands from data centers and new manufacturing growth from overseas, Georgia is in need of more power than ever before.

Our market structure makes us more energy secure than other regions. We have the authority to instruct utilities to construct generation and build new transmission. The State of Georgia holds a contract with the vertically-integrated utility they must generate what our state consumes. This is a similar agreement other southeastern states hold with their electric utilities. Our Georgia system gives me as a regulator all the transparency without unnecessary bureaucracy. We do not rely on short-term gimmicks or taxpayer-underwriting of generation or transmission projects. This system still has rates roughly 10 percent below the national average.

Today, we take a highly diversified approach to generating electricity. Nuclear and hydro provide baseload energy which operates 24/7/365. Solar is a part-time energy source providing electricity when the sun is shining, with some battery backup. Natural gas and coal provide Georgia with dispatchable energy, with all generation operating under both a summer and winter reserve margin.

Georgia has become the number four state in the nation for solar all without a Renewable Portfolio Standard. Georgia's electric generating portfolio has never been cleaner and more

accessible to customers. However, the EPA 111 proposed rule puts all this thoughtful strategy and implementation at great risk.

Utilities have a legal obligation to serve, as I have authority under the Constitution of Georgia to oversee a healthy electric utility system, but EPA 111 puts the utility, the customer and the state regulator in an impossible position.

Penalizing utilities for operating generation facilities this EPA doesn't like opens a Pandora's Box for third-parties to sue utilities. The EPA is seizing control from states. Control over systems that state agencies and officials spend their deep expertise and research capabilities analyzing and planning healthy systems. Consider this from the utilities point-of-view, with a legal obligation to serve customers, utilities must choose between using generation assets this EPA doesn't like and being sued by environmentalists and paying fines to the federal government. And this choice is being made at critical pinch periods when solar is failing and demand is surging. The alternative is for utilities to not generate electricity, force blackouts, and thus open themselves up to other legal actions.

Now, consider this from the customer's point-of-view, note: currently 7-8% of Georgia customer's bills are to pay for forced EPA compliance today. If the utility chooses to uphold their legal obligation to serve and generate electricity in the ways this EPA doesn't like, customers are left to pay for the fines and any resulting costs from legal actions. If the utility chooses not to use the dispatchable generation asset this EPA doesn't like (assets the customer has already paid for in rates), blackouts occur and the utility is yet again subject to legal action. That same customer is on-the-hook for the legal action, they're suffering through a blackout, and out blackout-related costs, such as spoiled food in their refrigerators. Potentially their life is at risk because they have home health equipment dependent upon electricity, such as a dialysis or oxygen machine. Customers are getting hurt by these regulations and getting stuck with the bill. Relief valves are not a solution either, the customer has already been charged for generating assets. Regulators and utilities know their systems better than federal agencies and any proposed implementation of a relief valve.

The general opinion that utilities and states will challenge EPA 111 and other heavy-handed agency-generated policies is not enough. The customers pay for these legal costs too. This EPA's failure to consider the outcomes of their actions needs Congressional engagement.

Our nation has every natural resource to be energy independent, and to obtain full energy security. This is a problem of our nation's own making that will lead to high costs, less reliability, less stability and financially-gutted utilities; all the while this Administration continues to send billions of dollars to Iran to buy energy we can generate ourselves.

Low-to-moderate income Americans, especially those on fixed incomes such as senior citizens are the most affected by the EPA's actions.

The State of Georgia repeatedly demonstrates we put a premium on innovation for the benefit of customers. Plant Vogtle Units 3 and 4 are the first new nuclear units constructed in America in 30 years. Along with their sister units, producing over 4600mW of electricity, the largest

electricity generating plant in the country. In 2018, Georgia became the first state approved to manage coal combustion residuals. Approved by the Obama administration EPA, the plan includes beneficial reuse which directly benefits customers and the construction industry dependent on the residuals. EPA 111 turns that on its side. Lastly, we are proud to be leading in solar deployments and battery storage systems, but their shortcomings are exposed by this rule.

We love innovation when it supports a healthy system and benefits customers, but federal agency rule making is crippling Georgia's ability to serve the very people we are required to serve.

Where states could use assistance is in meaningful pipeline permitting reform. We need more access to American natural gas for heating purposes and as a dispatchable fuel source for electricity. Along with New Hampshire Public Utilities Commissioner Carleton Simpson, I am leading a national effort to bring gas and electric stakeholders to the table with seven state utility commissioners to solve natural gas for electricity reliability challenges. This effort is being done with the National Association of Regulatory Utility Commissioners (NARUC), where I become their elected president this November.

Access to natural gas is a necessity across our nation. Those of us committed to reliability recognize its importance and ask Congress to ally with us in addressing this challenge.

There is much to be done. Thank you for your willingness to listen and consider your state regulator's perspectives.