

Georgia Power's Solar Program

The development of Georgia Power's solar rates and policies provide a demonstration of how faux political correctness, political idiosyncrasies, strategic positioning and opportunism interplay under regulation to create a jumbled-up program that adds yet another layer of detritus to Georgia Power's Augean Stable of rates.

For years Georgia Power told the green lobby to buzz off when the Company was urged to buy expensive renewable power. Finally, the Company offered a green energy rate for customers to pay a premium over standard rates for power from such sources. Georgia Power assured customers that the Company was really purchasing green power with the extra money users paid under the green rate. Since standard rates contain the recovery of fuel costs and the cost of pollution control, it would seem that green power should be exempt from these charges -- Not so under regulation.

In introducing its initial green program Georgia Power repeatedly assured the PSC and the parties to the case (including RSM) that the full cost of green power would fall on those who voluntarily purchased it and no cost for this program would be placed on non-participants. With that kind of promise, no party objected to this plan to give customers more choice.

The Commission and the Company spent several years haggling over the high level of charges for green power. Prices were much higher than other utilities and far higher than the Company's actual cost. One result was that few customers actually purchased green power. Today, years later, only a few thousand customers out of 2.4 million have purchased green power.

Then came the fateful day when, at Commission's urging, the Company began to buy more green power than could be sold. This was a dramatic betrayal of the promise not to charge other ratepayers for green power they chose not to use. Georgia Power pretends it likes green power, while inflating profits and responding to political pressure.

Once freed of having to put the cost on those who caused cost, the Company could entertain the promotion of solar power by Commissioner Bubba McDonald. Bubba knew he could not entice the sun to beam more energy to Georgia, but he knew how to use the popular support for alternative energy to create a special interest group dependent on favorable policies and his personal whims. Once again, we see the union of politics and business spawning the Rosemary's baby of cronyism.

The Company was paid off by the Commission's approval of premium solar power payments for Company-owned projects where the Company paid themselves for solar power several times higher than the cost of traditional power. For example, Georgia Power projects its overall cost to generate conventional electricity averages around 4¢/kWh.

Georgia Power and McDonald struggled to come up with a customer rate to sell solar power. They wanted to try a price of 9¢ but decided there would be very few takers, so they created a premium green energy rate that would be 50% solar with the rest other renewables.

Georgia Power's latest foray into solar public relations is to offer to

The Company doesn't need any more power from any source. The purchasing of solar power is a trade-off with Commissioner McDonald as his demand for supporting the Vogtle cost over-runs. The Company picks winning bidders, some of whom are then bought by affiliated Southern Power.

It was on a junket to study German solar policies that, after a night of carousing at high-end watering holes with the solar lobbyists boys, Commissioner Bubba McDonald awoke surprised the next morning to find he had been sleeping next to a cute little solar panel he met the evening before.

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