

DOCKET NO. 24505

**GEORGIA POWER COMPANY'S 2007 INTEGRATED RESOURCE PLAN
GEORGIA POWER COMPANY'S RENEWABLE RESOURCE ACTION PLAN
AND TIME TABLE UPDATE**

MAY 2014

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I. Active Renewable Resource Projects

A. Large Scale Solar Program

In July of 2011, the Georgia Public Service Commission ("GPSC" or the "Commission") approved Georgia Power Company's ("Georgia Power" or the "Company") plan to purchase energy from up to 50 megawatts ("MW") of solar capacity; this program is referred to as the Large Scale Solar program ("LSS"). The Company signed 20-year power purchase agreements ("PPAs") in December 2011 for 49 MW of solar energy with two developers. Simon Solar Farm, LLC was contracted to build a 30 MW project near Social Circle, Georgia, and Solar Design and Development, LLC ("SDD") was contracted to build solar projects totaling 19 MW on sites in Mitchell and Meriwether counties.¹ The Simon Solar Farm, now owned and operated by Silicon Ranch Corporation, became commercially operational in mid-December 2013, ahead of schedule, and hosted a ribbon cutting ceremony on May 13, 2014. Origis Energy, as the new owner of the SDD facilities, hosted a ribbon cutting ceremony on

¹ Solar Design and Development, LLC sold the Facility and transferred the applicable LSS PPAs to Origis Energy, a transaction that was approved by the GPSC on March 12, 2013.

February 11, 2014 at the Camilla (Mitchell County) site, where the 16 MW facility went into commercial operation shortly thereafter. A second SDD site, the 3 MW Camp site located in Meriwether County, was commercially operational as of December 2013. The Simon Solar Farm and Origis solar facilities will sell output as qualifying facilities until the LSS program's required Commercial Operation Date ("COD") of June 1, 2015.

The Commission approved the LSS PPAs for 49 MW in December 2011 and January 2012, respectively. A third company, Belectric, executed an LSS PPA for the remaining 1 MW on October 15, 2012. The required COD for the Belectric LSS PPA is also June 1, 2015. The price Georgia Power will pay for the solar energy procured through the LSS program was calculated using the Company's long-term avoided energy cost plus a capacity credit based on the operational characteristics of solar energy facilities. This credit was benchmarked to market pricing obtained under the Company's 2015 Request for Proposal ("RFP").

B. The Conversion of Plant Mitchell to Wood Biomass

The Company planned to convert Plant Mitchell Unit 3, as approved by the Commission in March 2009, from coal to wood biomass. Due to changes in economics, the plans to convert Plant Mitchell Unit 3 have been canceled as reported in the Company's Fifth Construction Monitoring Report filed on January 10, 2014. Increased capital costs and costs related to environmental compliance, in addition to the slower than expected economic recovery and lower natural gas prices, have significantly reduced the project's value and benefits for customers. The Company expects to file for decertification of Plant Mitchell Unit 3 at a future date.

C. Georgia Power's Advanced Solar Initiative

The Commission approved Georgia Power's Advanced Solar Initiative ("ASI") on November 20, 2012. The initiative created the nation's largest voluntarily developed solar portfolio by an investor-owned utility. Through ASI, the Company will acquire energy produced from 210 MW of solar generation through long term contracts. The 2013 ASI Utility Scale Program solicited projects ranging from 1 to 20 MW in size through a competitive RFP to fill a 60 MW portfolio with projects to be commercial in 2014. The 2014

ASI Utility Scale Program is currently seeking to procure projects from 1 to 20 MW in size through an RFP to fill a 70 MW portfolio with projects to be commercial in 2015. Georgia Power executed four Utility Scale contracts totaling 50 MW in late 2013, which the Commission approved in December 2013. The remaining 10 MW of the 60 MW portfolio rolled over into the current 2014 RFP for a total of 70 MW.

The Distributed Generation (“DG”) Program acquired Small Scale (up to 100 kW) and Medium Scale (101 kW to 1,000 kW) projects through an application process in 2013, seeking 45 MW of solar generation to be commercial in 2013. The 2013 application process resulted in 33 MW under contract, consisting of 88 total projects.

As part of the Company’s 2013 Integrated Resource Plan (“IRP”), the Commission approved an additional 525 MW of solar (425 MW of Utility Scale and 100 MW of DG) which are to be procured in a manner that generally follows the protocols of the ASI programs. The Company refers to this additional solar procurement as ASI Prime (“ASI-Prime”). Efforts are underway for the procurement of the utility scale portion of this additional capacity. The Company issued an RFP for 495 MW (2014: 70 MW rollover, 2015: 210 MW, and 2016: 215 MW) of solar generation on April 2, 2014. The RFP closed on April 30, 2014, having received a very robust response. The bid evaluation process has begun and the winners are expected to be announced by early October 2014.

The 2014 DG Program had a 12 MW shortfall from 2013, which was rolled into the proposed 45 MW to be sought for 2014, for a total of 57 MW to be procured. The 12 MW rollover was allocated to customer-sited projects. The application process was open from March 26, 2014 to April 4, 2014. The Company expects all the 2014 DG generation to be under contract and online before the end of 2014. The additional 100 MW of DG capacity approved in the Company’s 2013 IRP will be procured in 2015 (50 MW) and 2016 (50 MW).

D. Green Energy Program

Although sales through the Green Energy Program have increased every year since inception, growth of the program has slowed. The Company is evaluating options to redesign the current program to offer products that are consistent with customer needs at competitive pricing.

E. Application for Certification of Blue Canyon II and VI (Docket 37854)

The Company has entered into PPAs to purchase 250 MW of wind energy for 20 years from the 151 MW Blue Canyon II and 99 MW Blue Canyon VI wind farms in Southwest Oklahoma. These PPAs are below forecasted avoided costs and are projected to put downward pressure on customer rates. Delivery under these PPAs commences in January 2016. The Company has requested Certification of the Blue Canyon PPAs and a stipulation recommending certification was reached by Georgia Power and the GPSC Staff with a decision from the GPSC expected by May 20, 2014.

F. 2010 IRP 1 MW Solar Photovoltaic Demonstration Project (Docket 31082)

In an effort to learn about development and costs of solar projects and gain experience with solar technology, the Company proposed building a 2.5 MW portfolio of large-scale solar demonstration projects in its 2010 IRP. The Company received approval from the Commission to build a 1 MW portfolio. The Company is pursuing a 1 MW solar demonstration project, and has identified a preferred site that is currently in negotiations for development. The Company's current plans call for executing an Engineering, Procurement, and Construction (EPC) contract to initiate the project by Q3 2014, which would enable the project to be in-service in early 2015.

II. Potential Renewable Resource Projects

A. 2007 IRP Renewable Projects with Capacity of Less than 30 MW (Docket 24505)

This Action Plan serves as notice that the Company has identified three cost-effective renewable projects to be developed and placed into rate base pursuant to the Commission's Final Order in Docket No. 24505, approved in the 2007 IRP. The Company entered into a memorandum of understanding ("MOU") with the United States Army ("Army"), attached as Exhibit A, with the aim of furthering the Army's renewable energy, climate action and energy security goals. The Company and the Army selected sites for development of the three projects at Fort Benning near Columbus, Fort Gordon near Augusta, and Fort Stewart near Savannah. The projects will be solar photovoltaic generators sized less than 30 MW

Alternating Current (AC) each and will be developed at or below the Company's current projected avoided costs.

Key Project Benefits

- The projects meet the required cost-effectiveness requirements in Docket No. 24505.
- The projects contribute toward the Army's renewable energy and energy security mandates and represents a significant investment in our Georgia Army bases.
- The projects provide additional fuel diversity for Georgians and continue Georgia Power's renewable investment, while strengthening Georgia's military installations.

Background

Pursuant to the Commission's approval of the 2007 IRP, the Company sought to develop no more than three cost-effective, self-build renewable projects of less than 30 MW each. A requirement of the Commission's order is the economics of the projects be equal to or less than projected avoided costs as periodically filed under Docket No. 4822. Furthermore, the development of these projects was approved in the 2007 IRP, thereby requiring no additional certification.

This is the Company's eighth Renewable Action Plan, and through these plans the Company has described in detail its work to identify and develop three cost-effective renewable projects meeting the requirements of the Commission's Order. In doing so, the Company has reviewed numerous options, including biomass, landfill methane gas, digester methane gas projects, and solar photovoltaic ("PV") projects and reported on the cost effectiveness of those proposed projects through the Renewable Action Plan filing. In addition, the Company provided updates on the progress of this renewable development in the 2013 IRP.

Proposed Sites

The Army and the Company have concluded that the three renewable energy generation projects can be located at three Army installations served by the Company. The three selected military bases determined to be host locations are Fort Gordon, Fort Benning, and Fort Stewart. The Company will construct solar PV generators of less than 30 MW (AC) at each

site. These projects will be completed before the end of 2016 to capture, and pass along, the tax benefits to our customers.

Reporting

The Company is in the process of finalizing its development and construction plans and will provide to the Commission a summary of the economics of the projects prior to commencing construction, as required by the Commission's IRP Order.

B. 2013 IRP Demonstration Projects (Docket 36498)

Potential demonstration projects are currently being evaluated. Georgia Power is pursuing a partnership with Georgia universities and currently working on siting locations for the small wind demonstration. The Company plans to evaluate different turbine technologies with each turbine having a capacity of less than 10 kilowatts.

A solar tracking demonstration project is underway in coordination with Southern Company Services Research and Environmental Affairs. Georgia Power continues to finalize the scoping document outlining the project's development.

A scope of work has been developed for the rooftop solar demonstration project and RFPs are being developed for equipment purchases and installation.

Conclusion

The Company continues to work with the Commission to promote the development of cost-effective renewable resources and deliver the environmental, fuel diversity and economic development benefits of these resources to our customers and our state.