

House Bill 402

By: Representatives Frye of the 122<sup>nd</sup>, Bell of the 75<sup>th</sup>, Drenner of the 85<sup>th</sup>, Sanchez of the 42<sup>nd</sup>, Paris of the 142<sup>nd</sup>, and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Titles 46 and 50 of the Official Code of Georgia Annotated, relating to public  
2 utilities and public transportation and state government, respectively, so as to provide for the  
3 establishment of renewable energy sources and renewable energy portfolio standard goals  
4 by the Public Service Commission for electric service providers; to provide for the inclusion  
5 of existing or planned renewable energy resources in integrated resource plans; to authorize  
6 the Georgia Environmental Finance Authority to finance and perform certain duties in  
7 connection with projects relating to renewable energy facilities; to provide for limited  
8 liability; to revise and provide for definitions; to provide for rules and regulations; to provide  
9 legislative findings; to provide for related matters; to repeal conflicting laws; and for other  
10 purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

12 **SECTION 1.**

13 Title 46 of the Official Code of Georgia Annotated, relating to public utilities and public  
14 transportation, is amended in Article 1 of Chapter 3, relating to generation and distribution  
15 of electricity generally, by adding a new part to read as follows:

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16

"Part 617 46-3-69.5.

18 (a) It is the intent of the legislature to recognize the economic, environmental, and fuel  
19 diversity benefits of renewable energy resources; to encourage further development of  
20 these resources; and to encourage the establishment of a market for renewable energy in  
21 Georgia using this state's renewable energy resources. These efforts can reduce the  
22 consumption of fossil fuels for the generation of electricity and reduce this state's  
23 dependence on finite, nonrenewable resources. Accordingly, the General Assembly finds  
24 and declares that goals should be established for electric service providers to guide them  
25 in incorporating renewable resources into their resource portfolios.

26 (b) The purpose of this part is to lessen Georgia's dependence on fossil fuels and the  
27 exposure of Georgia's consumers to volatile and rising prices for coal and natural gas by  
28 encouraging the greater use of renewable energy by establishing goals for electric service  
29 providers in implementing portfolio standards for renewable energy.

30 46-3-69.6.31 As used in this part, the term:

32 (1) 'Biomass material' means organic matter, excluding fossil fuels and black liquor,  
33 including agricultural crops; plants; trees; wood; wood wastes and residues; sawmill  
34 waste; sawdust; wood chips; bark chips; forest thinning, harvesting, or clearing residues;  
35 wood waste from pallets or other wood demolition debris; peanut shells; cotton plants;  
36 corn stalks; and plant matter, including aquatic plants, grasses, stalks, vegetation, and  
37 residues, including hulls, shells, or cellulose-containing fibers.

38 (2) 'Electric membership corporation' means a corporation organized under Article 4 of  
39 this chapter.

- 40 (3) 'Electric service provider' means any electric utility, electric membership corporation,  
41 or municipal electric provider engaged in the business of distributing electricity to retail  
42 or wholesale electric customers in this state.
- 43 (4) 'Low impact hydropower' means energy produced by a dam and powerhouse that is:  
44 (A) Certified as low impact by the Low Impact Hydropower Institute; or  
45 (B) Evaluated by the commission as being compliant with the following standards:  
46 (i) Providing river flows that are healthy for fish, wildlife, and water quality,  
47 including seasonal flow fluctuations where appropriate;  
48 (ii) Protecting water quality in the river;  
49 (iii) Providing effective fish passage and protecting fish from entrainment;  
50 (iv) Taking sufficient action to protect, mitigate, and enhance environmental  
51 conditions in the watershed;  
52 (v) Avoiding negative impact on species classified as threatened or endangered by  
53 the federal or state government;  
54 (vi) Avoiding inappropriate impact on cultural resources;  
55 (vii) Providing free access to the water and accommodating recreational activities on  
56 the river; and  
57 (viii) Avoiding any recommendation for removal by a federal or state agency due to  
58 adverse environmental impacts.
- 59 (5) 'Municipal electric provider' means an entity that provides electric services and that  
60 is owned or operated by a municipal corporation.
- 61 (6) 'Renewable energy' means electrical energy produced from or by renewable energy  
62 sources.
- 63 (7) 'Renewable energy sources' means any of the following: wind; solar energy; low  
64 impact hydropower; geothermal resources; ocean thermal energy; wave or tidal energy;  
65 biofuels derived entirely from organic sources other than coal, petroleum, or natural gas;  
66 the combustion of landfill gas; methane gas resulting from the anaerobic decomposition

67 of organic materials; plasma arc; pyrolysis; gasification; biomass materials; postconsumer  
68 waste paper; forest related sources, including mill residues, waste pallets, crates, and  
69 dunnage; or forest and agricultural biomass sources, including orchard tree crops,  
70 vineyard, grain, legumes, sugar, switchgrass, other crop by-products or residues, and  
71 precommercial thinning, slash, brush, or landscape trimmings, but not including  
72 old-growth timber.

73 46-3-69.7.

74 (a) On or before July 1, 2026, the commission shall establish renewable energy sources  
75 and renewable energy portfolio standard goals for electric service providers to reach on an  
76 annual basis. Such goals shall not exceed 20 percent of annual net electricity sales for each  
77 electric service provider. In developing the renewable energy sources and renewable  
78 energy portfolio standard goals, the commission shall evaluate current and forecasted  
79 levelized costs in cents per kilowatt hour for all electric service providers through 2030 and  
80 current and forecasted installed capacity in kilowatts for each renewable energy generation  
81 method for all electric service providers through 2050.

82 (b) Electric service providers are encouraged to meet and maintain the renewable energy  
83 sources and renewable energy portfolio standard goals established pursuant to  
84 subsection (a) of this Code section.

85 46-3-69.8.

86 On or before July 1, 2026, the commission shall adopt rules and regulations to carry out the  
87 provisions of this part. Such rules and regulations shall, at a minimum:

88 (1) Provide for a reporting system to monitor voluntary compliance with this part. Such  
89 reporting system shall require electric service providers to report whether they are subject  
90 to energy portfolio requirements in more than one state and the amount of such  
91 requirements, if applicable, and to indicate the sources of energy used to voluntarily

92 comply with the renewable energy sources and renewable energy portfolio standard goals  
93 established pursuant to subsection (a) of Code Section 46-3-46.7 and the requirements  
94 of other applicable states; and  
95 (2) Provide for annual reporting by all electric service providers of renewable energy  
96 usage, how the generation costs of renewable energy compare to costs from other  
97 generation sources, and the average price paid for the sources of the renewable energy  
98 produced."

99 **SECTION 2.**

100 Said title is further amended in Code Section 46-3A-1, relating to definitions relative to  
101 integrated resource planning, by revising paragraph (7) as follows:

102 "(7) 'Plan' means an integrated resource plan which contains the utility's electric demand  
103 and energy forecast for at least a 20 year period, contains the utility's program for meeting  
104 the requirements shown in its forecast in an economical and reliable manner, contains the  
105 utility's analysis of all capacity resource options, including both demand-side and  
106 supply-side options, and sets forth the utility's assumptions and conclusions with respect  
107 to the effect of each capacity resource option on the future cost and reliability of electric  
108 service. The plan shall also:

109 (A) Contain the size and type of facilities which are expected to be owned or operated  
110 in whole or in part by such utility and the construction of which is expected to  
111 commence during the ensuing ten years or such longer period as the commission deems  
112 necessary and shall identify all existing facilities intended to be removed from service  
113 during such period or upon completion of such construction;

114 (B) Contain practical alternatives to the fuel type and method of generation of the  
115 proposed electric generating facilities and set forth in detail the reasons for selecting the  
116 fuel type and method of generation;

- 117 (C) Contain a statement of the estimated impact of proposed and alternative generating  
 118 plants on the environment and the means by which potential adverse impacts will be  
 119 avoided or minimized;
- 120 (D) Indicate in detail the projected demand for electric energy for a 20 year period and  
 121 the basis for determining the projected demand;
- 122 (E) Describe the utility's relationship to other utilities in regional associations, power  
 123 pools, and networks;
- 124 (F) Identify and describe all major research projects and programs which will continue  
 125 or commence in the succeeding three years and set forth the reasons for selecting  
 126 specific areas of research;
- 127 (G) Identify and describe existing and planned programs and policies to discourage  
 128 inefficient and excessive power use;
- 129 (H) Identify and describe existing and planned renewable energy resources, if any,  
 130 used by the utility and whether such existing and planned renewable energy resources  
 131 are sufficient to comply with the renewable energy sources and renewable energy  
 132 portfolio standard goals established pursuant to subsection (a) of Code Section  
 133 46-3-46.7; and
- 134 ~~(H)~~(I) Provide any other information as may be required by the commission."

135 **SECTION 3.**

136 Title 50 of the Official Code of Georgia Annotated, relating to state government, is amended  
 137 in Code Section 50-23-4, relating to definitions relative to the Georgia Environmental  
 138 Finance Authority, by revising paragraphs (5) and (6) and adding a new paragraph to read  
 139 as follows:

140 "(5) 'Environmental facilities' means any projects, structures, and other real or personal  
 141 property acquired, rehabilitated, constructed, or planned:

- 142 (A) For the purposes of supplying, distributing, and treating water and diverting,  
143 channeling, or controlling water flow and head including, but not limited to, surface or  
144 ground water, canals, reservoirs, channels, basins, dams, aqueducts, standpipes,  
145 penstocks, conduits, pipelines, mains, pumping stations, water distribution systems,  
146 compensating reservoirs, intake stations, waterworks or sources of water supply, wells,  
147 purification or filtration plants or other treatment plants and works, connections, water  
148 meters, mechanical equipment, electric generating equipment, rights of flowage or  
149 division and other plant structures, equipment, conveyances, real or personal property  
150 or rights therein and appurtenances, furnishings, accessories, and devices thereto  
151 necessary or useful and convenient for the collection, conveyance, distribution,  
152 pumping, treatment, storing, or disposing of water;
- 153 (B) For the purposes of collecting, treating, or disposing of sewage including, but not  
154 limited to, main, trunk, intercepting, connecting, lateral, outlet, or other sewers, outfall,  
155 pumping stations, treatment and disposal plants, ground water recharge basins,  
156 backflow prevention devices, sludge dewatering or disposal equipment and facilities,  
157 clarifiers, filters, phosphorus removal equipment and other plants, soil absorption  
158 systems, innovative systems or equipment, structures, equipment, vehicles,  
159 conveyances, real or personal property or rights therein, and appurtenances thereto  
160 necessary or useful and convenient for the collection, conveyance, pumping, treatment,  
161 neutralization, storing, and disposing of sewage;
- 162 (C) For the purposes of collecting, treating, recycling, composting, or disposing of  
163 solid waste, including, but not limited to, trucks, dumpsters, intermediate reception  
164 stations or facilities, transfer stations, incinerators, shredders, treatment plants, landfills,  
165 landfill equipment, barrels, binders, barges, alternative technologies and other plant  
166 structures, equipment, conveyances, improvements, real or personal property or rights  
167 therein, and appurtenances, furnishings, accessories, and devices thereto necessary or  
168 useful and convenient for the collection, treatment, or disposal of solid waste; ~~or~~

169 (D) For the purposes of carrying out a community land conservation project or a state  
170 land conservation project pursuant to Chapter 22 of Title 36; or

171 (E) For the purposes of generating, storing, and transmitting renewable energy, as such  
172 term is defined in Code Section 46-3-69.6, including, but not limited to, generation  
173 facilities, battery storage facilities, electric transformers, transmission lines, equipment,  
174 vehicles, conveyances, real or personal property or rights therein and appurtenances,  
175 furnishings, accessories, and devices thereto necessary or useful and convenient for the  
176 generation, storing, and transmitting of such renewable energy.

177 (6) 'Environmental services' means the provision, collectively or individually, of water  
178 facilities, sewerage facilities, solid waste facilities, renewable energy facilities,  
179 community land conservation projects or state land conservation projects pursuant to  
180 Chapter 22 Title 36, or management services."

181 "(12.1) 'Renewable energy facility' means any environmental facility described in  
182 subparagraph (E) of paragraph (5) of this Code section."

#### 183 **SECTION 4.**

184 Said title is further amended in subsection (b) of Code Section 50-23-5, relating to purpose,  
185 powers, and duties, by striking "and" at the end of paragraph (33), by striking the period and  
186 inserting in lieu thereof "; and" at the end of subparagraph (J) of paragraph (34), and by  
187 adding a new paragraph to read as follows:

188 "(35) To promulgate and adopt rules and regulations to carry out the purposes of this  
189 chapter."

#### 190 **SECTION 5.**

191 Said title is further amended in Code Section 50-23-12, relating to personal liability of  
192 members, officers, and employees of the authority, by revising paragraph (2) as follows:

