House Bill 1381

By: Representatives Park of the 107th, Jones of the 25th, Gisler of the 121st, Herring of the 145th, Camp of the 135th, and others

A BILL TO BE ENTITLED

AN ACT

To amend Chapter 3A of Title 46 of the Official Code of Georgia Annotated, relating to integrated resource planning, so as to require grid modernization assessments to be filed with integrated resources plans; to require justification for new transmission construction instead of utilizing certain new technologies; to provide for the recovery of costs; to provide for the recovery of certain savings related to new technologies; to provide for definitions; to provide for related matters; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Chapter 3A of Title 46 of the Official Code of Georgia Annotated, relating to integrated resource planning, is amended in Code Section 46-3A-1, relating to definitions, as follows:

"46-3A-1.

As used in this chapter, the term:

(1) 'Advanced reconductoring' means the replacement of traditional transmission conductors with high-performance conductors that provide higher capacity and lower line losses, specifically designed for installation on existing towers and rights of way.

~~(1)~~(2) 'Capacity resource' means an electric plant, a long-term power purchase, or a demand-side capacity option.

~~(2)~~(3) 'Construction' means clearing of land, excavation, or other substantial activity leading to the operation of an electric plant other than planning, land surveying, land acquisition, subsurface exploration, design work, licensing or other regulatory activity, contracting for construction, or environmental protection measures and activities associated therewith.

~~(3)~~(4) 'Demand-side capacity option' means a program proposed by a utility or the commission for the reduction of future electricity requirements the utility's Georgia retail customers would otherwise impose, including, but not limited to, conservation, load management, cogeneration, and renewable energy technologies.

~~(4)~~(5) 'Electric plant' means any facility, or the portion of a facility, that produces electricity or that, at the time application for certification is made pursuant to this chapter, is intended to produce electricity for a utility's Georgia retail customers. 'Electric plant' includes the realty and ancillary facilities for the construction of the plant.

(6) 'Grid-enhancing technologies' or 'GETs' means a suite of hardware and software solutions that increase the capacity, efficiency, or reliability of existing transmission lines, including, but not limited to, dynamic line ratings, advanced power flow control, and topology optimization.

~~(5)~~(7) 'Long-term power purchase' means a purchase of electric capacity and energy for a period exceeding one year, the principal purpose of which is to supply the requirements of the Georgia retail customers of a utility.

~~(6)~~(8) 'Plan' means an integrated resource plan which contains the utility's electric demand and energy forecast for at least a 20 year period, contains the utility's program for meeting the requirements shown in its forecast in an economical and reliable manner, contains the utility's analysis of all capacity resource options, including both demand-side and supply-side options, and sets forth the utility's assumptions and conclusions with

respect to the effect of each capacity resource option on the future cost and reliability of electric service. The plan shall also:

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

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

(C) Contain a statement of the estimated impact of proposed and alternative generating plants on the environment and the means by which potential adverse impacts will be avoided or minimized;

(D) Indicate in detail the projected demand for electric energy for a 20 year period and the basis for determining the projected demand;

(E) Describe the utility's relationship to other utilities in regional associations, power pools, and networks;

(F) Identify and describe all major research projects and programs which will continue or commence in the succeeding three years and set forth the reasons for selecting specific areas of research;

(G) Identify and describe existing and planned programs and policies to discourage inefficient and excessive power use; and

(H) Provide any other information as may be required by the commission.

~~(7)~~(9) 'Supply-side capacity option' means an electric plant, a long-term power purchase, or any other source of additional energy.

~~(8)~~(10) 'Utility' means any electric supplier whose rates are fixed by the commission."

SECTION 2.

Said chapter is further amended by revising Code Section 46-3A-2, relating to filing and approval of an integrated resource plan, by adding a new subsection to read as follows:

"(d)(1) Each integrated resource plan filed after July 1, 2026, shall include a dedicated grid modernization assessment that identifies all transmission corridors currently experiencing, or forecast to experience, congestion within the succeeding ten years.

(2) For each proposed construction of new a transmission line or significant expansion of an existing line identified in the grid modernization assessment, the utility must file a technical and economic comparison demonstrating that grid-enhancing technologies or advanced reconductoring were evaluated as alternatives, and justify the need for such construction."

SECTION 3.

Said chapter is further amended by revising Code Section 46-3A-4, relating to issuance of a certificate of public convenience and necessity, and application to include plan and cost-benefit analysis, by adding a new subsection to read as follows:

"(d) The commission shall not issue a certificate pursuant to this Code section for the construction of a new high voltage transmission line unless the applicant demonstrates that the immediate capacity need cannot be met by the deployment of grid-enhancing technologies or advanced reconductoring on existing rights of way."

SECTION 4.

Said chapter is further amended by revising Code Section 46-3A-7, relating to construction costs as part of rate base, review of construction work in progress, verification of expenditures, and recovery of costs of canceled construction, by adding a new subsection to read as follows:

"(e)(1) All capital expenditures for grid-enhancing technologies and advanced reconductoring for which a certificate was obtained shall be eligible for full cost recovery through the utility's base rate.

(2) The commission is authorized to allow a utility to retain 25 percent of the verified annual congestion cost savings achieved through the deployment of GETs, with the remaining 75 percent passed through to ratepayers as a direct credit on the fuel cost adjustment or similar mechanism."

SECTION 5.

All laws and parts of laws in conflict with this Act are repealed.