

5 Things You Need to Know about Georgia's Energy

Tim Echols

When you think about larger expenses that you incur, energy in some form is on the list: electricity, natural gas, petroleum—they add up. Here are five things you need to know about Georgia's energy that can impact you in the future.

#5

Electric cars. Atlanta has become the top market for the Nissan Leaf in America—ahead of even San Francisco and Seattle. There are a variety of contributing factors. Electric vehicles are quiet, clean and efficient and offer drivers the opportunity to save money on fuel and maintenance costs. They also reduce environmental impact and use a local resource—electricity. An attractive Nissan leasing program coupled with driver access to HOT/HOV lanes and attractive tax credits put in place by the legislature helped to jump-start the market. This \$5000 state tax credit coupled with the \$7500 federal tax credit has caused a feeding frenzy here in Georgia. Our largest utility, Georgia Power, responded with a special rate for homeowners who use electric cars, and drivers who charge their car during the super-off-peak pay the equivalent of 43 cent a gallon for fuel. Expect a battle in the legislature this year as several lawmakers want to end the credit, while companies like KIA fight to keep it in place as they come to the market with their fully electric car.

#4

Power Purchase Agreements. Utilities can either generate power themselves or buy it through power purchase agreements. We have a combination of the two here in Georgia. Our latest PPA involved our purchase of Oklahoma wind power when a "deal" was discovered allowing us to purchase the wind power cheaper than other types of energy. Expect to see more PPA opportunities like the new "state of the art" coal unit, Plant Washington, slated to be built in Sandersville and natural gas plants constructed in and around Georgia. Georgia utilities will continue to purchase power from other entities when it benefits their customers. Expect the EPA rule to impact these choices (see below).

#3

Growing solar portfolio. Solar has come down in price, making it a viable form of daytime energy. This is due in part to Chinese manufacturing and cheap products being dumped

into the marketplace. Credit also goes to utilities like Georgia Power for working with the Public Service Commission, especially Commissioner Bubba McDonald, to create a program that significantly and responsibly increases solar power while protecting the grid. States like California have added solar early and quickly and without regard to grid stability and the result has been disastrous in some places like Sacramento. Expect more solar in Georgia for years to come.

#2

New Nuclear. Most people are probably not aware that Georgia is just one of three states building new nuclear power. As anticipated with any mega-construction project—and certainly with the first new nuclear in the U.S. in about 30 years—challenges are to be expected. However, because only a few states are building nuclear, Georgia is receiving a significant share of production tax credits and loan guarantees—eventually saving customers money on a 60-year investment. Nuclear energy is carbon-free emissions with zero greenhouse gases and it is among the cleanest energy generated. With the federal government's position on carbon dioxide emissions, expect Georgia policy makers to consider more new nuclear energy going forward, especially if the Environmental Protection Agency adjusts the nuclear formula in their pending rule.

#1

Pending Environmental Protection Agency Rule 111(d). Without a doubt, nothing will impact our energy future more than the proposed EPA rule set to be finalized next year. The rule treats carbon dioxide as a pollutant, and requires each state to reduce their carbon output from fossil plants. Georgia's reduction is a hefty 48 percent, making it the seventh most stringent state target in the nation. State leaders, especially commissioners like Chuck Eaton and Stan Wise, have urged the EPA to give Georgia more "carbon credit" for the new nuclear reactors aforementioned. Others have reminded the EPA that our pine forests also deserve credit for helping to mitigate greenhouse gases because of absorption. Expect the rule to have tremendous impact, with the potential to place significant upward pressure on rates.

Those are my top five energy concerns for now. Let's hope my colleagues on the Public Service Commission along with other state leaders can continue to keep Georgia's energy inexpensive and reliable.

