

BACKGROUND

Natural gas, followed closely by nuclear and coal, dominates Georgia's [generation mix](#). Georgia has no appreciable in-state fossil fuel resources of its own. The majority of the state's energy production occurs in nuclear plants. While transportation is the leading energy consuming end-use sector, there are many energy intensive industries in the state.

The Peach State ranks [first in the nation](#) for commercial timberland and due to the state's extensive forest cover, Georgia [ranked 2nd](#) in the nation for biomass-derived electricity generation in 2016. Georgia's solar generation increased from nearly zero percent in 2015 to almost two percent in 2017 and is expected to continue to grow. As of 2017, the [Solar Energy Industries Association](#) ranked Georgia 8th in the U.S. in terms of cumulative solar electric capacity installed through 2016.

Georgia does not have a renewable energy standard or a voluntary renewable energy target. The City of Atlanta recently passed a [resolution](#) declaring that municipal buildings will be powered by 100% renewable sources by 2025, with a community-wide target of 100% by 2035. It is the first city in Georgia to pass such a resolution.

The [Georgia Public Service Commission \(PSC\)](#) regulates the state's investor-owned utility (IOU), [Georgia Power Company \(GPC\)](#), and has limited [regulatory authority](#) over 42 electric membership corporations (EMCs) and 52 municipally-owned electric power companies in the state. The PSC is composed of five members, and commissioners are elected to six-year terms. Currently, all five commissioners are Republicans. The state is under unified control with the Republican Party holding majorities in both chambers of the General Assembly. Republican Governor Nathan Deal leads the executive branch.

POLICY STRENGTHS AND OPPORTUNITIES¹

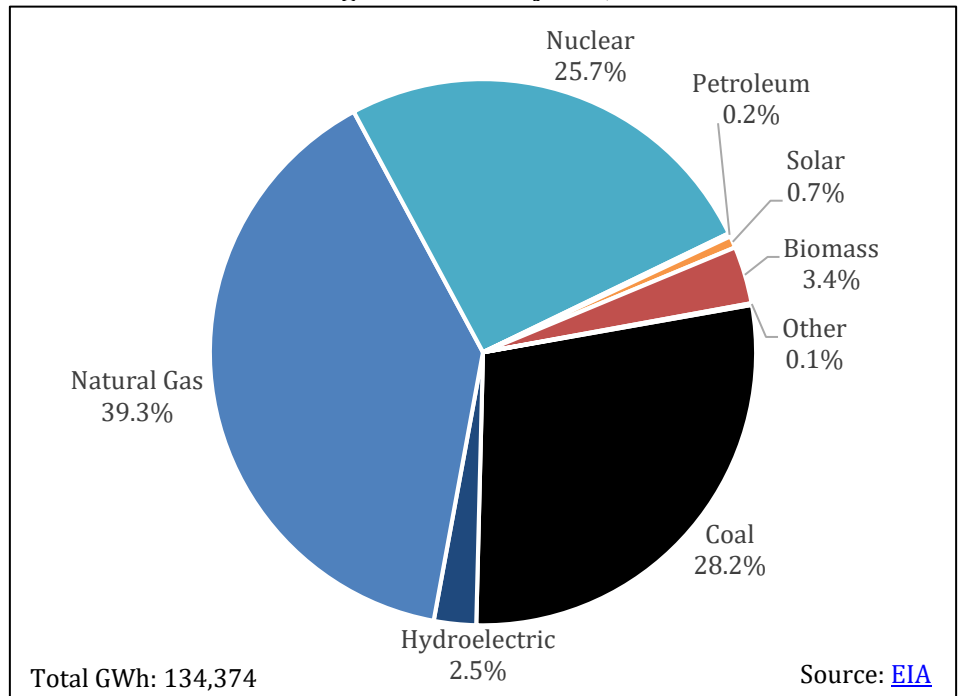
The National Renewable Energy Laboratory (NREL) developed the notion of "policy stacking,"² an important framework for policymakers to consider. The basic idea behind policy stacking is that there is an interdependency and sequencing of state policy that, when done effectively, can yield greater market certainty, private sector investment, and likelihood of achieving stated public policy objectives.

In theory, but not always in practice, clean energy policies can be categorized into one of three tiers of the policy stack. Tier 1, market preparation policies, remove technical, legal, regulatory, and infrastructure-related barriers to clean energy technology adoption. Tier 2, market creation policies, create a market and/or signal state support for

¹ For more information on policy opportunities, please visit the [SPOT for Clean Energy](#). For more information on specific policy actions related to these opportunities, please review the [Clean Energy Policy Guide for State Legislatures](#).

² V.A. Krasko and E. Doris, *National Renewable Energy Laboratory*, 2012. Strategic Sequencing for State Distributed PV Policies: A Quantitative Analysis of Policy Impacts and Interactions. <http://www.nrel.gov/docs/fy13osti/56428.pdf>.

Georgia's Electricity Mix, 2016



clean energy technologies. Tier 3, market expansion policies, create incentives and other programs in order to expand an existing clean energy market by encouraging or facilitating technology uptake by additional market participants.

For example, before financial incentives for combined heat and power (CHP) will be successful, two key considerations for deployment are having clear interconnection standards and favorable stand-by rates for customers who opt to add CHP. In this example, states should adopt policies to address interconnection and stand-by rates before adopting financial incentive programs.

GRID MODERNIZATION

Policymakers can view grid modernization as creating a policy structure that supports and ties together many other initiatives, such as smart metering infrastructure, customer data management, energy storage, electric vehicle infrastructure, and utility business models.

In the last two decades, new digital technologies have enabled utilities to better manage the grid and provide opportunities for consumers to customize their services to fit their priorities. These technologies allow a two-way flow of information between the electric grid and grid operators and between utilities and their customers. Emerging technologies improve system reliability and resiliency by enabling better tracking and management of resources. These technologies allow grid operators to incorporate central and distributed energy resources, energy storage technologies, electric vehicles, and assist in addressing the challenges associated with planning, congestion, asset utilization, and energy and system efficiency. On the customer's side of the meter, advanced metering infrastructure, dynamic pricing, and other emerging technologies allow an exchange of information and electricity between a consumer and their electric provider.

According to the [Grid Modernization Index](#), Georgia ranks in the top 10 for grid operations and places 14th in the nation for overall grid modernization efforts. The state does not have a grid modernization plan, but in 2011, the [Georgia Energy Assurance Plan](#) addressed the importance of cybersecurity and grid resilience in the state. There are additional supportive policies that Georgia's policymakers could adopt to continue in-state modernization efforts.

1. Develop an updated grid modernization strategy through a stakeholder process. States may also decide to require that utilities propose a ten-year grid modernization plan within a specified timeframe. Legislation could require that plans outline a clear set of grid modernization goals and describe methods to measure, report, verify, and enforce progress towards those goals. States might also provide incentives or cost recovery mechanisms for utilities to meet grid modernization goals.
2. Require that utilities' integrated resource plans (IRPs) include plans to enhance cybersecurity, integrate distributed energy resources (including electric vehicles and energy storage), increase smart meter deployment and demand response and/or demand-side management (DSM) programs, and measure and report on the results of grid modernization efforts. While there is no statewide policy requiring smart meters, [Georgia Power has taken the lead](#) on residential smart meter deployment and has converted all of its meters to advanced meters, making 2016 smart meter deployment across the state [greater than 75%](#).
3. Georgia does not have clear state policies governing [customer data access](#) and privacy protections. To address this, policymakers should develop legislation or rules that, at minimum, do the following: clarify who owns the energy data associated with customer energy usage; protect customer privacy; outline the process for allowing direct access to data by third parties; and promote access to the highest resolution of data by third parties. While the [Smart Energy Consumer Collaborative](#) of Atlanta facilitates customer access to energy data through the [Green Button Connect program](#), the state could expand access to this program.

The adoption of incentives for or a requirement to integrate a certain amount of energy storage on the grid alongside enhancing renewable energy and electric vehicle policies would support modernization efforts and improve the chances of successful grid modernization.

ENERGY STORAGE

Energy storage offers a unique opportunity to dynamically manage supply and demand while maximizing the value of grid resources. By deploying storage in strategic locations, utilities can more effectively manage their energy portfolios. First, storage provides management of intermittent demand – helping to flatten peak demand requirements for the utility. Second, the responsiveness of energy storage can allow the utility to implement voltage regulation and other ancillary services, which are useful for improving system efficiency. Third, storage can dispatch power to better integrate intermittent resources like renewable energy. Finally, energy storage can help the commercial sector avoid costly [demand charges](#). As utilities around the country consider [extending demand charges to the residential sector](#), this will become an even more important issue.

The flexibility of battery storage, combined with advanced metering infrastructure, allows customers to control how and when they use energy from the grid or from solar panels installed on their home or business. In most cases, this can provide greater cost savings than standalone solar systems. Combined with [time-varying rates or real-time pricing programs](#), state policy can further support customer choice and open a new market for energy services. Prices that better reflect the time-varying and location-dependent costs of producing and delivering electricity can lead to a number of economic and environmental gains.

Storage provides multiple benefits to both the customer and the utility. State planning and regulatory policies can help maximize these benefits by 1) establishing a framework for easy integration of energy storage into the grid and 2) establishing a marketplace that monetizes the benefits of energy storage for cost effective investment.

In 2016, the PSC approved an [IRP](#) for Georgia Power to acquire up to 1,200 megawatts (MW) in capacity from solar, wind, and biomass resources. [Southern Company](#) is also exploring the potential for [energy storage projects](#) in Georgia. Moreover, battery engineering company [Sonnen](#) recently launched a manufacturing and research and development [center in Atlanta](#) for the production of lithium-ion batteries.

Georgia currently does not have any polices to encourage energy storage development but there are several opportunities for developing supportive state policies:

1. Amend [existing interconnection policies](#) to ensure that storage can connect to the grid through a transparent and simple process. The Interstate Renewable Energy Council ([IREC](#)) has produced a series of interconnection protocols that states can easily adopt. The state could establish best practices for interconnection in statute, or legislation could provide an instruction to utilities to implement these best practices.
2. Instruct utilities to evaluate the value of energy storage in multiple strategic locations across the utility system and consider a requirement to deploy storage where it will be cost effective, or identify the price point at which it will become cost effective.
3. Require the inclusion of energy storage as a critical piece of the energy system as both a demand and supply management resource. Some states have required that utilities evaluate the cost effectiveness of [non-wires alternatives](#) (NWA) to large transmission and generation investments. Alternatively, states might want to require utilities to develop a distribution investment plan that identifies the locations on the distribution system where energy storage or other distributed resources would offer the greatest value.
4. Consider adding a mandatory energy storage procurement target or requirement for energy storage with a documented process for periodic review of progress towards that goal. Procurement targets can jump-start market creation, spur fast learning, and guide the development of a regulatory framework. [Five states](#) currently have energy storage goals that range from five megawatt hours (MWh) to two gigawatts (GW).
5. Finance and incentivize energy storage for customers and utilities. Incentives would enable customers to use storage to manage their electric load and store locally produced renewable energy. Incentives in the form of rebates, grants, and tax credits can provide a bridge to scalable deployment for storage. Incentives should be designed to decline as storage values become more readily monetized. Policymakers could allow utilities that provide incentives to customers to recover the costs of installing smart meters. This would enable dynamic and time-varying energy management from multiple distributed battery systems. This should signal to customers

the value of leveraging storage while better aligning customer costs with system costs. Financing energy storage installations for commercial customers would help reduce their demand charges. Policymakers might want to start first with a policy to incentivize solar systems owners.

MAINSTREAMING RENEWABLES

As the renewable energy industry has matured, technology has improved, and global production of generating equipment has increased, renewable energy is increasingly seen as the least cost and lowest risk form of energy (excluding energy efficiency). A Bloomberg New Energy Finance [report](#) from this year predicts that at least 50% of total global electricity will be renewable by 2050. With increased deployment, utilities are learning more about how to integrate renewables effectively, investors are becoming more comfortable with the technologies, and building code officials are recognizing common standards and best practices. For these reasons, it is in the interests of policymakers to ensure that their states are well positioned to benefit from the transition to clean and sustainable energy resources.

To reduce barriers to customer and utility participation in the renewable energy market, Georgia might consider several policy options.

Customer-Oriented Policies

1. Interconnection, net metering, and streamlined permitting – In general, customers want a clear, streamlined, affordable, and predictable system for connecting renewable energy systems to the grid. To ensure this, Georgia’s policymakers could consider adopting IREC’s [model interconnection procedures](#), removing net metering system size limitations and the aggregate capacity limit, and crediting net excess generation at the customer’s retail rate. Georgia’s [distributed generation compensation rules](#) do not require that utilities offer net metering. Currently, Georgia Power credits distributed generation customers at the avoided cost rate (the marginal cost for a producer to generate one more unit of power) not the full retail rate. Allowing [aggregated net metering](#) would be beneficial to agricultural operations, commercial properties, and public entities like state and local governments, universities, and schools. The state might also consider establishing either statewide standards for streamlined permitting processes, or resources to support local governments that voluntarily implement a streamlined program, as [Atlanta](#) has done. State incentives, such as tax credits, financial incentives, or loans can be tied to systems that are established within a designated streamlined permitting jurisdiction.
2. Shared Renewables – Due to building and property attributes and ownership issues, many customers are unable to install renewable energy technologies. Allowing shared, or community, renewable energy projects addresses these barriers. These projects have multiple owners or subscribers who pay for a portion of the generation provided by the system. Georgia Power [currently offers](#) 2 MW of shared solar through their Community Solar Program with an additional six MW planned. To expand program participation, the state might consider adopting a virtual net metering policy. Virtual net metering allows a customer to receive credits from a shared system as if the generation were on site. Virtual net metering is different from a power purchase agreement (PPA), which pays the customer for the proportion of power they produce. Because it is treated as a credit on the customer’s bill, the customer can avoid the tax implications of a PPA payment - which can adversely affect the economics of the system (and may come as a surprise to the participant).

Low credit ratings often deter participation in renewable energy markets; this can affect low- and moderate-income (LMI) households’ adoption of renewable energy solutions. Supportive policies for shared renewables can be designed to encourage participation by LMI households; this can increase adoption of renewable technologies and reduce energy costs. Low-income participation can be encouraged either through a percentage mandate for the overall annual contracted capacity, or by offering a higher rate of payment for the portion of shared solar capacity attributed to low-income customers. States that have a shared renewable program may want to coordinate this program with implementation of the federal [Weatherization Assistance Program](#) to provide recipients of assistance with participation in a shared renewable system.

There are [several additional policy options](#) that Georgia might consider to promote renewable energy uptake by low- and moderate-income consumers. Generally, successful state policies should be tailored to these customers, be cost-effective and financially sustainable, have measurable performance indicators, and be flexible enough to allow later changes in design.

3. Corporate Procurement – Many Fortune 100 and 500 companies have established either climate goals or commitments to purchase renewable energy. In just the last four years, [over nine gigawatts \(GW\) of renewable contracts](#) have been announced by corporate entities. In the [first quarter of 2018](#) alone, corporations signed 14 agreements for over 1,700 MW of renewable energy. This is leading policymakers to provide additional avenues for businesses to procure renewable energy. [House Bill 57](#), enacted in 2015, authorized third party financing to facilitate investment in solar energy around the state. Georgia Power offers an opportunity for customers to purchase RECs or solar energy through their [Simple Solar Program](#). This utility also created the [Commercial & Industrial Renewable Energy Development Initiative](#) (C&I REDI) as part of their 2016 IRP. Customers such as Google, Johnson & Johnson, Target, and Walmart have subscribed to [the program](#) and it meets all six of the [Corporate Renewable Energy Buyers' Principles](#).

Utility-Oriented Policies

Some states have created programs that aim to reduce greenhouse gas emissions and increase investments in clean energy resources. States might see an emissions or clean peak standard as the next step in a progression from renewable portfolio standards (RPSs). Georgia Power has a goal to reach 1.6 GW of renewable energy by 2021, however it is set to [hit this goal](#) using solar alone, before the end of 2019. Georgia Power also has a [250 MW PPA](#) with Blue Canyon Wind Farms in Oklahoma. To increase utility adoption of clean energy technologies, Georgia's policymakers might consider the following:

1. Emissions standards can take a technology neutral approach that looks at the total emissions of the utility portfolio and drive emissions down with a combination of renewables, traditional fuels, efficiency, and technological advances. Utilities can achieve emissions reductions through 1) a carbon portfolio standard approach, or 2) a market-based approach. A portfolio emissions standard sets emissions reduction targets to be reached over time. This can be implemented through the IRP process or by establishing a maximum allowable rate of emissions per unit. Under a market-based approach, a state or a group of states might set a certain emissions reduction target, for example, 20% below 1990 levels by 2040. This reduction is achieved by the distribution of annual emission allowances that decrease to the point that the standard is met in 2040. One of the advantages of a market-based program is that it is designed to reduce emissions in the most economically efficient manner possible. Such a standard can also address other concerns such as pollution, asthma risk, environmental justice or water use.
2. [Clean Peak Standards](#) aim to increase the share of clean energy resources used to meet peak demand and decrease energy bills over the long-term by reducing peak demand in the hours when energy costs are highest. These objectives can be met through different policy options including: planning and procurement that focuses on peak demand; a moratorium on the construction of new peaking units or a phase out of existing units; incentives – including carve-outs in states with RPSs – for clean energy resources delivered during peak times; and/or adopting a new clean peak standard that sets a target for clean energy deliveries during peak times.



ELECTRIFICATION OF THE TRANSPORTATION SECTOR

An [estimated](#) 55% of new car sales will be electric by 2040 (Bloomberg New Energy Finance). Therefore, a key part of building a modernized grid involves designing infrastructure that will facilitate easy connection of electric vehicles (EVs) to the grid. One of the most important barriers to increased adoption of EVs is the consumer's awareness of the availability of EV charging stations. Ultimately, drivers want to be sure that their car will get them where they need to go. Another important barrier to increased adoption of EVs is their higher up-front cost as compared to similar conventionally fueled vehicles. The good news is that both supportive policies for developing charging infrastructure and technological advancements have eased "range anxiety." See the U.S. Department of Energy's [Alternative Fuels Data Center](#) for a map of refueling locations for EVs and other alternative fuel vehicles.

[Georgia](#) is among the top 10 petroleum-consuming states in the nation, and transportation accounts for approximately 90% in-state use. Georgia does not have incentives for citizens to purchase electric vehicles. For alternative fuel vehicles, including EVs, the state requires an additional \$200 annual [registration fee](#) (the [highest](#) EV fee in the nation) which dis-incentivizes the purchase of EVs and other alternative fuel vehicles. The state offers a few [tax credits](#) for EV charging infrastructure and Georgia Power offers an [Electric Vehicle Charger Rebate](#) to those that install a Level 2 charging station. Georgia Power also offers a reduced [plug-in electric vehicle charging rate](#) for

charging between 11pm and 7am. These incentives could be expanded. There are a number of additional opportunities to expand the market for EVs in Georgia:

1. EV Financing and Financial Incentives – The provision of financial incentives and innovative financing options can help spur greater market penetration of EVs. Sales and income tax credits are one of the simplest methods for addressing higher up-front costs. While sales tax credits are typically applied at the time of purchase, income tax credits may do less to address the upfront cost barrier as receipt of the credit is typically removed in time from the purchase.³ States have adopted several other financial incentives including low-interest loans, grants, vouchers, and rebates.
2. Charging Infrastructure Plan – Locating [charging infrastructure](#) is different from locating conventional fueling stations. For the most part, EVs are cars used for commuting and local trips. Furthermore, while a driver of a conventional vehicle stops only briefly at a gas station for the specific purpose of filling up, a driver of an EV is generally looking to refuel when they are parked for longer period of time, for example when going shopping, going to a restaurant, or going to work. Charging infrastructure plans should target these types of locations and attempt to pair the appropriate level of charging infrastructure with a reasonable amount of time a person will be at that location. Legislation could direct a state agency to develop such a plan through a stakeholder process. Georgia’s existing registration fee for EVs could help fund these efforts. For example, in [Washington](#) a portion of each EV registration fee is used to fund charging infrastructure development across the state.

Georgia could also participate in a regional plan to promote EV adoption across multiple states. For example, eight Western state governors recently signed a [memorandum of understanding](#) to create a regional EV infrastructure plan (the REV West Plan).

3. Parking Infrastructure Requirements – In tandem with the development of a statewide plan, legislation could set requirements for EV parking infrastructure. Some states have adopted permitting standards for parking lots, requiring, for instance, that for every 100 parking spaces, there must be at least one EV charging space. Legislation could also incentivize utilities to develop [make-ready locations](#). These locations supply power to the point where a utility or third party developer might install an EV charging station. Georgia’s [statewide building energy](#) code could also be updated to include requirements for EV charging infrastructure.

NEWS

- August 29, 2018: [Nation’s 1st Pollinator-Friendly Right-of-Way Solar Project Moves Forward in Georgia](#)
- August 20, 2018: [Georgia Power & Georgia Tech Team to Make “Quantum Leap” in Microgrid Research](#)
- August 5, 2018: [Georgia Power Shoots for the Sun to Increase Solar Energy](#)
- July 30, 2018: [Georgia Power Seeking Another 100 Megawatts of Solar Power](#)
- July 25, 2018: [Firm Partners with Two Companies for Home Energy Storage in Georgia and in the Caribbean](#)
- June 30, 2018: [Georgia’s Conservative Path to a Solar Power Boom](#)
- June 26, 2018: [Atlanta Announces New, Ambitious Plans to Reach 100% Clean Energy](#)
- June 19, 2018: [Green Power EMC to Significantly Expand its Solar Energy Portfolio with Construction Across Four Georgia Locations](#)
- June 1, 2018: [Clean Energy Jobs on The Rise in Georgia, a New Energy Report Says](#)
- April 10, 2018: [Google to Power Georgia Data Center with Solar Energy](#)
- March 14, 2018: [Georgia Power Continues Renewable Energy Growth Through 2018](#)

OTHER RESOURCES

- American Wind Energy Association (AWEA), Georgia: <http://awea.files.cms-plus.com/FileDownloads/pdfs/Georgia.pdf>
- Georgia Environmental Finance Authority: <https://gefa.georgia.gov/energy-resources>
- The American Council for an Energy-Efficient Economy State and Local Policy Database, Georgia: <http://database.aceee.org/state/georgia>

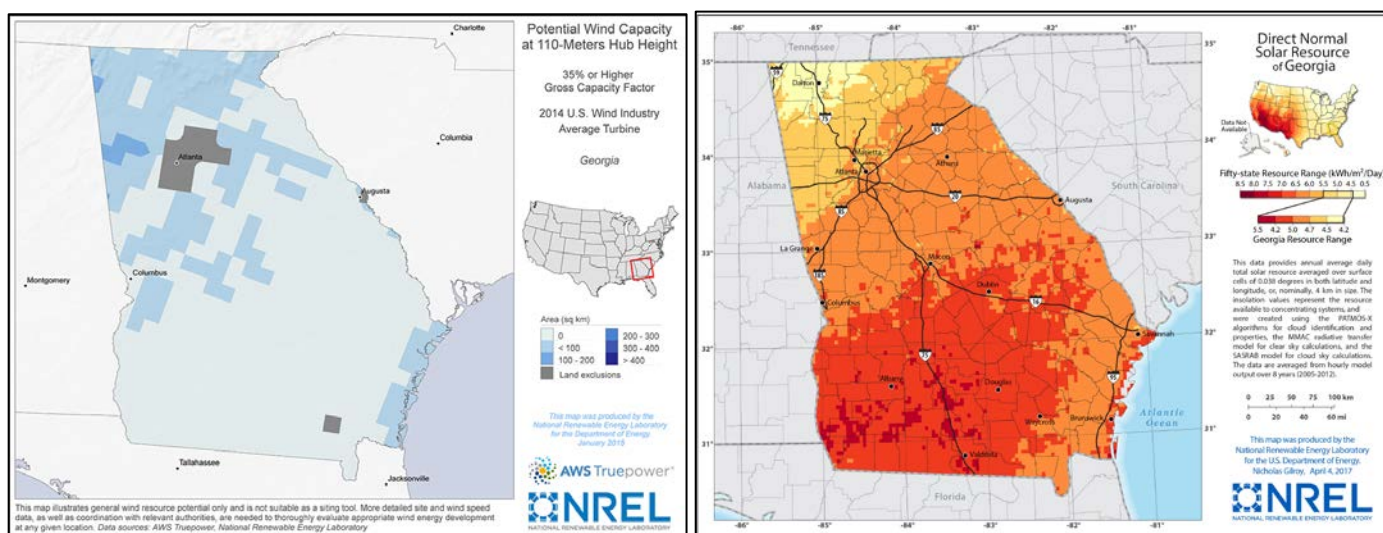
³ A [study](#) by the Congressional Budget Office however suggests that tax credits are important tools for ensuring increased adoption of alternative-fueled vehicles.

- The Database of State Incentives for Renewables and Efficiency, Georgia: <http://programs.dsireusa.org/system/program?fromSir=0&state=GA>
- U.S. Energy Information Administration, Georgia: <https://www.eia.gov/state/?sid=GA>
- National Renewable Energy Laboratory Biomass Maps <https://www.nrel.gov/gis/biomass.html>
- SPOT for Clean Energy, Georgia: <https://spotforcleanenergy.org/state/georgia/>
- U.S. Department of Energy's Alternative Fuels Data Center, Georgia: <https://www.afdc.energy.gov/states/ga>
- The Rocky Mountain Institute: [From Gas to Grid – Building Charging Infrastructure to Power Electric Vehicle Demand](#)
- The GridWise Alliance, EVs - Driving Adoption, Capturing Benefits: <http://gridwise.org/evs-driving-adoption-capturing-benefits/>
- The Regulatory Assistance Project, Performance-Based Regulation: <https://www.raponline.org/event/performance-based-regulation-the-power-of-outcomes-part-1/>

GEORGIA'S WIND AND SOLAR RESOURCES

WIND <https://windexchange.energy.gov/states/ga>⁴

SOLAR <https://www.nrel.gov/gis/solar.html>



Our Resources

CNEE Homepage: <http://cnee.colostate.edu/>

The SPOT for Clean Energy: <https://spotforcleanenergy.org/>

The Advanced Energy Legislation (AEL) Tracker: <https://www.aeltracker.org/>

Clean Energy Policy Guide for State Legislatures: <http://cnee.colostate.edu/cleanenergypolicyguide/>

The Energy Policy Podcast: <http://energypodcast.colostate.edu/>

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⁴ Please see your packet for a higher resolution wind energy capacity map.