
*INTEGRATED RESOURCE PLANNING
ACT (HB 280)*

IRP

O.C.G.A. § 46-3A

Why?

COMMISSION EVALUATION OF ELECTRIC UTILITY MANAGEMENT DECISIONS

PRUDENCY AUDIT: Commission Evaluation of Utility Management Decisions
after the Decision Has Been Made but Without Hindsight

VS

IRP: Commission Evaluation of Utility Management Decisions as the
Decision is Made

INTEGRATED RESOURCE PLANNING

O.C.G.A. § 46-3A-2.

(a) On or before January 31, 1992, and at least every three years thereafter as may be determined by the commission, each utility shall file with the commission an integrated resource plan as described in this chapter.

THE IRP SHALL INCLUDE:

- Utilities Electric Demand and Energy Forecast for at Least 20 Years
- The Utilities Program for Meeting the Requirements Shown in the Forecast in an Economical and Reliable Manner
- The Utilities Analysis of All Capacity Resource Options Including Both Demand-Side and Supply-Side Options
- The Utilities Assumptions and Conclusions regarding the Effect Of Each Resource Option on the Future Cost and Reliability of Electric Service

INTEGRATED RESOURCE PLANNING

THE COMMISSION MUST DETERMINE WHETHER:

- The Forecast Requirements are based on substantially accurate data and an adequate method of forecasting
- The plan identifies and takes into account any present and projected reductions in the demand for energy which may result from measures to improve energy efficiency in the industrial, commercial, residential, and energy-producing sectors of the state
- The plan adequately demonstrates the economic, environmental, and other benefits to the state and to customers of the utility, associated with various possible measures and sources of supply

CERTIFICATION

O.C.G.A. § 46-3A-3.

(a) After January 31, 1992, no utility shall commence the construction of an electric plant, sell an existing plant or any portion thereof which is included in the retail rate base or which has been certified, enter into a long-term purchase of electric power, or make expenditures for a demand-side capacity option for serving the utility's Georgia retail customers without having first obtained from the commission a certificate that public convenience and necessity requires, or will require, such construction, sale, purchase, or expenditure.

THE UTILITY SHALL INCLUDE WITH ITS CERTIFICATION FILING:

- Its Current IRP Whether or Not Previously Approved
- A Cost Benefit Analysis Covering the Estimated Useful Life of All Capacity Resource Options Considered in Developing Its Current Integrated Resource Plan.
- The Estimated Cost of the Capacity Resource Proposed to be Certificated Shall be Presented in Such Reasonable Detail as the Commission May Require.

CERTIFICATION

THE COMMISSION SHALL ISSUE AN ORDER:

- Adopting a Forecast of Future Georgia Retail Electricity Requirements and Describing in What Manner the Prospective Certificate Relates to the IRP and Either Granting the Requested Certificate or Denying the Requested Certificate and Authorizing a Specific Alternative Means of Supplying the Requirements Found By the Commission to Exist in the Forecast.

GUARANTEE OF COST RECOVERY

O.C.G.A. § 46-3A-7.

(a) So long as the commission has not modified or revoked the certificate for an electric plant under Code Section 46-3A-6 and to the extent the utility seeks to add to its rate base upon completion of the plant construction costs that do not exceed 100 percent of those approved by the commission under Code Section 46-3A-5, Code Section 46-3A-6, or subsection (b) of this Code section, that construction cost amount may be excluded from the rate base only on the basis of fraud, concealment, failure to disclose a material fact, imprudence, or criminal misconduct. Inclusion of costs in excess of 100 percent of those approved by the commission shall not be permitted unless shown by the utility to have been reasonable and prudent.

GPSC RULE 515-3-4-.04(3)(b) REQUIREMENT TO USE AN RFP PROCESS

2. The RFP Process shall be utilized for every block of required new supply-side resource identified in the IRP Plan, except as provided in Rule 515-3-4-.04(3)(i).