

## Solar at all Cost

An unknown author once said, "Mathematics is made of 50 percent formulas, 50 percent proofs, and 50 percent imagination." Now I understand why some solar advocates think it is okay to use imaginary math.

Next week, the Public Service Commission will deliver an important decision regarding Georgia Power's Integrated Resource Plan (IRP), which establishes the mix of generation the utility will use in the near future.. Greenavations has asked the Commission to award it 500 megawatts of solar generation without bid. Their most recent project is a 1.1 megawatt roof-top solar array on a high school campus in Dublin, Georgia. School officials and Greenavations say the \$3.7 million system will reduce power bills by \$3.5 million dollars over the 25-year lease agreement. Public bond documents on the other hand, tell a more complete story. By the end of the agreement, Dublin taxpayers will actually pay \$7.5 million in SPLOST sales taxes for debt service, and this does not include other costs such as operations and maintenance and insurance. Using simple math, the inconvenient truth is that \$7.5 million in costs minus \$3.5 million in savings (generously using their numbers), still leaves the Dublin-Laurens County taxpayers with a \$4 million dollar loss.

Whether or not this Commission awards Greenavations with a no-bid utility monopoly remains to be seen, but some on the Commission appear ready to force Georgia Power to purchase another 500 megawatts of solar in the next few years. People on all sides of the debate agree that solar energy is becoming more competitive with traditional sources of power generation and that it is being deployed in Georgia in a responsible manner. However, adding solar at this time and in the manner proposed would be harmful to ratepayers.

Make no mistake about it, this is a vote to mandate renewable energy purchases by Georgia Power and it will place upward pressure on rates. In those 29 states that mandate Renewable Portfolio Standards (RPS), residential electricity rates are 31.9 percent higher, according to the Manhattan Institute for Policy Research. This is why there are efforts underway to roll-back the standards in 22 of these states, says the Heartland Institute. The Nevada Policy Research Institute says RPS in that state will raise electricity rates by \$174 million annually by 2025. In California, utilities are warning regulators that solar subsidies may result in a \$1.3 billion rate shift onto non-solar using customers. Georgia Power already has 25-30 percent more capacity than it needs. Mandating that a utility purchase premium power when it does not need the power is the same type of illogical, feel-good energy policies we have seen out of Washington.

Germany, for example, is now paying nearly three times higher electric rates than in Georgia largely because they deployed solar too aggressively. Despite visiting Germany and

learning of these shortcomings first hand, two of my colleagues appear ready to repeat their mistakes.

Thanks to a long line of fiscally-conservative leaders, Georgia's electric rates have remained below the national average for many years and Georgia has benefitted through positive economic development. It is important that the integration of solar into Georgia's energy portfolio continues to be managed in a thoughtful way, and not in one that comes at an unnecessary cost to hard-working Georgians. We will know in the coming days if lining the pockets of a handful of solar developers is more important to this Commission than the interests of the average ratepayer.

**Stan Wise**

**Georgia Public Service Commissioner**