

Session for the Committee on Energy Resources and the Environment Sunday, February 9, 2020 – NARUC Winter Policy Summit Meeting

Moderator:

Tom Stanton, Principal Researcher, Energy and Environment, National Regulatory Research Institute,

Panelists:

Hon. Abigail Anthony, Rhode IslandHon. Tim Echols, GeorgiaHon. David Ober, IndianaHon. Mary Throne, Wyoming



If your commission is expanding decision making criteria to incorporate economic effects or explicitly to achieve certain economic development goals, you are not alone. More states are asking or telling Commissions to consider the economic impacts of resource plan decisions, policies that promote specific emerging markets, and the potential roles of utilities in helping to achieve diverse labor and community impact objectives. This hour features a Commissioner roundtable discussion about these ideas and what different states are directing their regulators to do, to incorporate economic development criteria in utility regulatory decisions.



Defining Economic Development for State Utility Regulatory Commissions



- Frequently thought to be the same as economic growth, with the implication that at least some important observers believe there is a context of consensus about agreed upon values and goals and constraints.
- Cambridge Dictionary: "The process in which an economy grows or changes and becomes more advanced, especially when both economic and social conditions are improved."
- John A. "Skip" Laitner: "The programs and policies designed to sustain economic activity — given changes in population, expectations, technologies, and resource constraints."
- How does your state define economic development for your commission?

ECONOMIC IMPACT

It Matters in Georgia

"AVOIDED COST BAR" IN IRP

- Additional 2000 MW of Utility Scale solar at market prices <u>below</u> <u>avoided cost</u>
- 210 MW of DG at <u>solar</u> avoided cost

- 80 MW of Utility Batteries owned by Utility
- 2nd Life EV Pilot project capped at \$250K
- Closed 5 coal units that became uneconomic



THE NUCLEAR UTILITY SECTOR IS UNDER INTENSE <u>ECONOMIC</u> <u>PRESSURE</u> DUE TO LOW GAS PRICES AND COMPETITIVE MARKET STRUCTURES.



WHAT ABOUT THE ECONOMIC IMPACT OF PLANT VOGTLE?



GA PSC Commissioners with Secretary Rick Perry at Plant Vogtle

OTHER VOGTLE SOFT ECONOMIC FACTORS

- Too big to fail
- 8000 workforce significant economic impact
- Hedge against aggressive CO2 policy
- Legislature, Governor, Chamber, co-owners—all vested in the project.

- Two units will power 500,000 homes
- PSC certified \$10.5 B allin for GP's portion
- 10.4% rate impact with
 5.5% already in rates

US Commercial Nuclear Power Reactors:Years of Operation by End of 2013

Longevity impacts value.

Carbon and fracking policy will impact value.

92% capacity factor



USING ECONOMICS TO PROMOTE EV POLICY

- Charging at home, at night, provides better grid utilization and puts downward pressure on rates
- Uses in-state fuel
- Vehicles weigh less and have less impact on highways
- Every one percent of petroleum-based miles travelled in GA that is displaced by electric vehicles, approximately \$201 million dollars will remain in the state of Georgia annually.

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9:05 AM



✓ 100% ■

NITEFLEX

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The NiteFlex rate is designed for consumers who want to save money by adjusting when they use energy. You'll pay a lower rate for electricity during certain times of the day. This rate is ideal for smart appliance users, electric vehicle owners recharging their vehicles overnight – **for free** – or anyone who shifts energy use to later hours. Switch to the NiteFlex rate today **Chat with us!**



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Have a question or just want to chat with a Cobb EMC member care representative?

Chat Now

Overnight charging on Cobb EMC system is \$0

PEV Rate Plan (n=73)

(n=16)



GPC PEV Rate - Customer Load Study

- 94% customers are saving on this rate
- 15% increase in energy usage (3,023 kWh)
- PEV customers shifted an additional 10% usage to super off-peak

- If electricity costs \$0.2 per kWh and the vehicle consumes 34 kWh to travel 100 miles, the cost per mile is about \$0.01.
- If electricity costs \$0.02 per kilowatt-hour, charging an all-electric vehicle with a 210-mile range (assuming a fully depleted 72 kWh battery) will cost about \$2 to reach a full charge.



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