

Frequently Asked Questions Regarding the Extended Term Option from May 24, 2022, Georgia Public Service Commission Order for Utility Scale Facilities

BACKGROUND:

Q: What is the Extended Term Option?

A: The Extended Term Option provides participants in certain past Georgia Power Company (“**GPC**”) renewable programs (collectively, “**Participants**”) with an option to extend, without having to pay study costs that would otherwise be required by GPC’s Qualifying Facility Procedures, the period for Participants to sell energy to GPC to up to 35 years, inclusive of:

- (i) the original term (“**Initial Term**”) of the Participant’s current Power Purchase Agreement (“**PPA**”);
- (ii) and the additional period beyond the Initial Term expiration date (“**Extended Term**”).

Q: Why is GPC offering the Extended Term Option?

A: GPC, at the direction of the Georgia Public Service Commission (“**Commission**”), implemented the GPC State-Jurisdictional Qualifying Facility Transmission Generator Interconnection Procedures and the GPC State-Jurisdictional Qualifying Facility Distribution Generator Interconnection Procedures (each “**QF Procedures**”) and the Transmission Qualifying Facility Interconnection Agreement and the Distribution Qualifying Facility Interconnection Agreement (each a “**QFIA**”). The QF Procedures impose certain costs and other conditions on any generator requesting a QF interconnection with GPC after May 24, 2022.

Participants entered into their current PPAs under one of GPC’s renewable programs. Before the Extended Term Option, if a Participant wished to continue to sell energy to GPC when the Initial Term expires, the Participant could request a Qualifying Facility (“**QF**”) interconnection to supply energy under the Public Utilities Regulatory Policies Act, 16 U.S.C. § 824 et seq. (“**PURPA**”).

During the Commission’s consideration of the QF Procedures in early 2022, the Georgia Large Scale Solar Association (“**GLSSA**”) and the Georgia Solar Energy Industries Association (“**GASEIA**”) raised concerns that these costs and conditions could adversely impact Participants who may request a QF interconnection when their existing PPA expires. In resolution of these concerns, GPC, GLSSA, and GASEIA agreed to a process providing Utility Scale Participants with an option to extend the PPA term without having to pay study costs that would otherwise be required by the QF Procedures (“**Extended Term Option**”).

The Order requires that GPC notify Participants of the Extended Term Option. A copy of the Order is available at <https://psc.ga.gov/search/facts-document/?documentId=190208> or <https://www.georgiapower.com/content/dam/georgia-power/pdfs/company-pdfs/solar-pdfs/4822-16573-19279-Order-Approving-QFIA-docs-signed.pdf>.

ELIGIBILITY:

Q: How do I know if my project is eligible for the Extended Term Option?

A: Utility Scale participants with PPAs and IAs in LSS, ASI, ASI-Prime, REDI, and REDI II and facilities sized 80 MW or less are eligible for the Extended Term Option. Solar facilities sized larger than 80 MW are not QF eligible under PURPA and, thus, do not qualify for the Extended Term Option.

Q: If I exercise the Extended Term Option, how long will the Extended Term be?

A: The Initial Term and Extended Term, together, cannot total more than 35 years. The notice from GPC states the maximum Extended Term a Participant may select. A Participant can otherwise choose the length of the Extended Term.

Example: If a Participant has an existing PPA with an “Initial Term” of 15 years, the Participant may exercise the Extended Term Option for an Extended Term of up to 20 years (i.e., subtract 15 years from 35 years).

Q: Am I eligible for the Extended Term Option if the Initial Term of my PPA is already 35 years?

A: No. If the term of your current PPA is for 35 years, you are not eligible for the Extended Term Option.

Q: I am a Participant with multiple facilities under different eligible programs. Can I exercise the Extended Term Option for all my facilities?

A: Yes. If your facility is under one of the identified programs, then you may exercise the Extended Term Option for each facility. You may exercise the Extended Term Option for some or all your facilities, but you must separately exercise the Extended Term Option for each facility by completing an opt-in form for each facility. However, the Order requires the offer to be extended to the Participant at least 10 years before the end of the Initial Term. Therefore, a Participant may receive notices at different times depending on the renewable program in which they are participating.

Q: As an eligible Participant, can I limit the amount of energy output I sell to GPC during the Extended Term?

A: No. A Participant who exercises the Extended Term Option must sell all the energy output to GPC during the Extended Term.

NOTIFICATION & TIMING:

Q: How will I be notified that I am eligible for the Extended Term Option?

A: Approximately 11 years before the expiration of your current PPA, GPC will notify the PPA's notice party regarding the Extended Term Option. This communication will include the next steps and deadlines.

Q: What happens if the notice does not reach the appropriate notice party?

A: It is the counterparty's responsibility to keep their notice party information up to date with GPC to ensure communications reach them in a timely manner. If you believe your project is eligible for the Extended Term Option, but you have not received a letter confirming eligibility by approximately 10½ years before expiration of your current PPA, please contact GPC at G2EXREGENUTSCLE@southernco.com.

PARTICIPATION – OPT-IN:

Q: How long do I have to decide if I want to participate?

A: You must opt-in no later than 10 years before the expiration of your Initial Term. If you choose to opt-in, you must pay a one-time non-refundable fee equal to the QF Interconnection Study Fee Deposit relative to the size of the facility as reflected in the QF procedures (**\$75,000** for a facility under than 20 MW or **\$125,000** for a facility larger than or equal to 20 MW).

Q: I wanted to opt-in but failed to reply before the 10-year deadline. What happens to my project at the end of the Initial Term?

A: Failure to opt-in by the 10-year deadline will be considered an opt-out, thus, forfeiting the opportunity to exercise the Extended Term Option. The terms of the existing PPA will remain in place until the Initial Term expires. Upon the expiration of the Initial Term, eligible generators who do not exercise the Extended Term Option (or any other option that may be available to the generator at that time) could request interconnection as a QF to supply energy in accordance with PURPA. The QF Procedures will apply.

Q: How do I exercise the Extended Term Option and opt-in?

A: To exercise the Extended Term Option, a Participant must electronically submit the opt-in form available at Solar Programs (georgiapower.com) before the deadline and pay the non-refundable fee no later than 90 days after submitting the opt-in form.

Q: After I submit the opt-in form to accept the Extended Term Option, what are the next steps?

A: A Participant who intends to exercise the Extended Term Option must:

- Pay the non-refundable fee (**\$75,000** or **\$125,000** depending on the size of the Participant's facility) no later than 90 days after submitting the opt-in form; and

- Execute the amendments to the PPA (each, a “**PPA Amendment**”) and, if applicable, the corresponding interconnection agreement amendments (each, an “**IA Amendment**”).

PARTICIPATION – DECLINE / OPT-OUT:

Q: Am I required to take any action if I decide to not exercise the Extended Term Option?

A: No. A Participant who does not wish to exercise the Extended Term Option does not have to take any action, but GPC encourages Participants who decline the Extended Term Option to inform GPC of their decision by selecting “Decline” on the opt-in form available at Solar Programs (georgiapower.com).

Q: I failed to reply before the 10-year deadline. What happens to my project at the end of the Initial Term?

A: Failure to opt-in by the 10-year deadline will be considered an opt-out, thus, forfeiting the opportunity to exercise the Extended Term Option. The terms of the existing PPA will remain in place until the Initial Term expires. Upon the expiration of the Initial Term, eligible generators who do not exercise the Extended Term Option (or any other option that may be available to the generator at that time) could request interconnection as a QF to supply energy in accordance with PURPA. The QF Procedures will apply.

FEES, PRICING AND REQUIREMENTS:

Q: What is the fee to exercise the Extended Term Option?

A: The Fee to exercise the Extended Term Option is a one-time non-refundable fee relative to the size of the Facility:

- \$75,000 (smaller than 20 MW)
- \$125,000 (20 MW and larger)

Q: How do I pay the non-refundable fee if I decide to exercise the Extended Term Option?

A: A Participant who exercises the Extended Term Option must pay the non-refundable fee by wire transfer or check. Participant must include the project name or IC number on the check or wire. GPC cannot accept cash, and GPC cannot process any payment without a project name or IC number. If a Participant exercises the Extended Term Option for multiple projects, the Participant may submit the non-refundable fee for each project through one wire or one check, so long as the Participant’s payment indicates the amount(s) included for each project and the associated project number(s) or account number(s).

If wire payment is your preferred payment method, please email G2EXREGENUTSCLE@southernco.com for GPC to create an invoice. GPC’s invoice will contain remittance instructions.

Q: What happens if GPC receives the non-refundable fee after the deadline?

A: If Participant does not pay the non-refundable fee on time, Participant will forfeit the Extended Term Option and will be subject to all terms of the QF Procedures. Failure to include the project name or IC number may delay acceptance of the payment.

Q: What will the new compensation rates look like? Is there an example of the compensation variances?

A: After executing a QF PPA and QFIA, GPC will purchase energy output at the avoided cost rate. GPC’s annual avoided cost filings and publicly available historical avoided cost information can be found on the Commission website:

Avoided cost filings: <https://psc.ga.gov/search/facts-docket/?docketId=4822>

Historical avoided cost information: <https://psc.ga.gov/search/facts-docket/?docketId=1>

Q: I provided performance security under my current PPA. Will I be required to provide the performance security during the full extended term?

A: Yes. Seller must continue to sell all output to GPC in accordance with the terms and conditions of the PPA (e.g., if performance security is required under the initial PPA, Seller will be required to continue to provide the performance security through the full Extended Term). GPC will return the performance security upon expiration of the Extended Term.

Q: Do you have a schedule for day-ahead hourly avoided price? How will I know what I will be receiving?

A: For QFs, GPC pays day-ahead avoided costs, which are calculated daily based on various inputs, including weather and demand. Day-ahead avoided costs are not static and change daily, depending on these and other system inputs. GPC's annual avoided cost filings and publicly available historical avoided cost information can be found on the Commission website:

Avoided cost filings: <https://psc.ga.gov/search/facts-docket/?docketId=4822>

Historical avoided cost information: <https://psc.ga.gov/search/facts-docket/?docketId=1>

AGREEMENTS:

Q: What agreements are required to complete the process for the Extended Term Option?

A: A Utility Scale Participant who elects to exercise the Extended Term Option must execute:

- (i) A PPA Amendment; and
- (ii) An IA Amendment (if applicable).

OTHER:

Q: My PPA allows me to claim ownership of the environmental attributes / Renewable Energy Credits (RECs) associated with the energy generated by facility and sold to GPC. Will that change?

A: No. If you are currently able to claim ownership of the environmental attributes (RECs) associated with the energy you generate and sell to GPC, that will not change.

Q: Can I issue a press release regarding the Extended Term Option?

A: GPC will respond to any requests for press releases on a case-by-case basis and will refer to provisions provided in individual PPAs before responding.

Q: Who can I contact if I have additional questions?

A: If you have additional questions, please contact the GPC a G2EXREGENUTSCLE@southernco.com.