WHY WE OPPOSE HB 1152

1. **Deregulates Electricity Market**. The bill deregulates the Georgia electric utility industry, taking legislative and regulatory authority away from the General Assembly and Public Service Commission (PSC) by allowing unregulated third parties the ability to sell subscriptions based on energy or capacity directly to utility customers. The bill specifically exempts these third parties from PSC jurisdiction and undermines the Territorial Service Act - a law that created our electricity market and provided the foundation for our state's economic success over the past 50 years. Georgia's electric marketplace is widely viewed as a model for other states, and the low rates and high reliability we offer are key to our ability to grow our economy to benefit Georgians today and in the future. It is one of the primary reasons Georgia has been named the best state for business for the past 10 years in a row.

2. **Creates Unfair Cost Subsidy with No Obligation to Serve**. The scheme allows third-party solar financing agents to collect revenues directly from utility customers, bypassing payments for electric service that include contributions for their fair share of building and maintaining the state's electric system. Customers who either can't afford solar subscriptions or choose not to participate would pay to make up for this shortfall, creating a cross subsidy. Participants would receive bill credits from unregulated solar financing agents who would not have the obligations or oversight of a traditional utility - no obligation to serve, maintain reliability, or provide restoration of power during emergencies like hurricanes or ice storms.

3. **Creates Virtual Net Metering.** The proposed legislation is basically a solar net metering bill on steroids. It requires the purchase of solar energy at retail prices and calls for roll-over of monthly usage and resulting in annual net metering, creating an even bigger subsidy than rooftop solar net metering. As noted, solar financing agents will benefit from use of the grid but not pay utilities anything for their use. States that have adopted net metering, like California, have regretted that decision and now reversed course.

4. **Distracts from Successful Community Solar Efforts.** If encouraging community solar is the goal, let's continue focusing our efforts on creating and expanding successful programs and not create a distraction for customers that will dilute the value of these programs. Today, Georgia Power and 17 EMCs already offer their customers and members a Community Solar program, with more on the horizon. All of Georgia Power's customers and almost 60% of EMC members statewide already have access to Community Solar.

5. **Puts State Authority at Risk**. The bill potentially conveys authority to the Federal Energy Regulatory Commission (FERC). The bill specifically states that the subscriptions represent energy or capacity, thus creating the appearance of retail sales even though the bill claims the transaction does not represent a retail sale of electricity. The exemption from being considered a retail sale of electricity prevents PSC regulation but does not protect against potential FERC jurisdiction. The question is: Do we want the FERC to gain jurisdiction over energy transactions here in Georgia?

6. **Additional Use of Agricultural Land.** If you're concerned about the increased debate over the use of agricultural land use for solar installations, this bill will "pour gas on that fire." Unregulated developers will be able to develop an unlimited number of acres of land for projects that fall under the 6 MW limit in the bill.

7. **Allows Triple-Dipping**. The bill creates three revenue streams for solar financing agents for the same product. The agents will receive a payment from the utility customer for electrons from the customer's subscription; a payment for the renewable energy credits attached to the same electrons (which are not required to go to customers); and a payment from the utility for the same produced energy as required by federal law. Finally, the solar financing agents would also take advantage of lucrative 30% federal tax credits from the Inflation Reduction Act.