

Utility Regulator Backs Solar Power Subsidy

RAY HENRY - Associated Press - Associated Press

One of the state's top utility regulators said Tuesday that he would support charging Georgia Power customers up to an extra nickel each month to build more solar energy projects and stopped just short of calling for a state law that would force the power company to buy more renewable energy — a position that's been politically unpopular in the Southeast.

Public Service Commissioner Lauren "Bubba" McDonald, a Republican, surprised other members of the commission when he announced his political change of heart at a public hearing Tuesday. He previously called on Georgia Power, a subsidiary of the Atlanta-based Southern Co., to add another 50 megawatts of solar electricity in its portfolio. That's equivalent to just over 2 percent of the electricity that would be produced from the new nuclear reactors the company hopes to build near Augusta.

"I'm just trying to stir the pot and get us looking outside the box," McDonald said in an interview where he described his proposal for a maximum 5 cent monthly solar charge. "That's a position that three years ago, I would have said, 'No.'"

Under McDonald's proposal, the extra money collected to subsidize solar power would bridge the gap between what Georgia Power is willing to pay for the solar electricity that it distributes to its customers and the prices that solar developers say they need to make a reasonable profit. It is not clear his idea will find much support. PSC Commissioner Stan Wise, a Republican, said he hoped the plan was dead on arrival. Wise said he would oppose the proposal even if it was necessary for Georgia Power to follow through on McDonald's request that it add 50 megawatts of solar energy to its power system.

One megawatt is enough energy to power roughly 400 homes.

"If we start to feel like we need to sweeten the pot, we're not going there," Wise said. "I'm opposed."

Georgia Power officials did not return a call seeking comment.

McDonald stopped just short of calling for a law that would require Georgia Power to buy a set amount of its energy from renewable sources, a proposal that has repeatedly failed to win political support across the Southeast. Among the states in the region, only North Carolina has set such a requirement for its power companies. Opponents have argued that the South lacks enough cheap renewable power to meet the requirements without hiking prices for customers. Political mandates have also been deeply unpopular in statehouses controlled by Republicans.

McDonald said in a follow-up interview that he did not support enacting such a rule because the state and energy market was not ready for it.

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Published on Chem.Info (<http://www.chem.info>)

Some states outside Georgia force utility to buy credits for renewable energy developers in addition to purchasing their electricity. In his prepared remarks, McDonald said that renewable energy developers in Georgia are at a disadvantage because they cannot sell their credits since there is no requirement to buy them.

"That uncertainty creates underlying problems for financiers and businesses to invest in solar projects in Georgia," he said.

McDonald said the commission should investigate how it could set a price on those credits either by taking action itself or through legislation passed state lawmakers.

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