Georgia Power Should Retire Plant Hammond

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The Amount of Electricity Generated at Plant has Declined and Is Not Likely to Bounce Back

[Graph showing electricity generation over time for Hammond Units 1-3 and Hammond Unit 4, with a decline in generation from 2007 to 2015, especially for Hammond Unit 4.]
Units 1-3 Have Hardly Generated Any Power in Recent Years and Unit 4 Has Essentially Become a Seasonal Peaker
Decline in Generation Due to Precipitous Drop in Natural Gas Prices
Starting in 2009

Dollars per Million BTUs

Natural Gas Prices are Expected to Stay Low

Dollars per Million BTUs

$0 $1 $2 $3 $4 $5 $6 $7

Plant Hammond is Becoming Increasingly Expensive to Operate

![Bar chart showing MWh Variable (both fuel & non-fuel Expense) and Total Production Expenses over years 2010 to 2014. The expenses increase from 2010 to 2014.]

- **MWH Variable (both fuel & non-fuel Expense)**
  - 2010: $44.75
  - 2011: $56.63
  - 2012: $60.67
  - 2013: $80.25
  - 2014: $96.79

- **Total Production Expenses**
  - 2010: $56.63
  - 2011: $60.67
  - 2012: $63.03
  - 2013: $94.18
  - 2014: $62.67
At the Same Time, Georgia Power Has Invested $538 Million in Plant Hammond Since 2007 and Is Likely to Have to Spend More in Coming Years
Georgia Power Has Lower Cost Alternatives to Continued Operation of Plant Hammond – Purchased Power in the Short Term

Total Production Expenses  Georgia Power Average Cost of Purchased Power

$56.63  $60.67  $80.25  $96.79  $94.18
$56.40  $53.80  $42.40  $48.30  $52.00

Dollars per Megawatt Hour

2010  2011  2012  2013  2014
$0  $40  $80  $120

Institute for Energy Economics and Financial Analysis
IEEFA.org
Solar PV Installation Prices Are Declining

![Graph showing the decline in solar PV installation prices from 1998 to 2014. The graph compares prices for Residential, Non-Residential ≤500 kW, Non-Residential >500 kW, and Utility Scale systems.](image-url)
## Continued Operation of Plant Hammond More Expensive than Recent Solar PV PPA Prices

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost per Megawatt Hour</th>
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<tbody>
<tr>
<td>Plant Hammond 2014 Production Cost</td>
<td>$94.18</td>
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<tr>
<td>Average U.S. Utility-Scale Solar PPAs in 2014 &amp; 2015</td>
<td>$50.00</td>
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<td>Recent TVA Solar PPA</td>
<td>$61.00</td>
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<tr>
<td>Levelized Cost of Power from New Solar Plant Being Built for Municipal Utility in Orlando FL</td>
<td>$70.00</td>
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Continued Operation of Plant Hammond More Expensive than Wind Power PPAs

<table>
<thead>
<tr>
<th>Cost Source</th>
<th>Dollars per Megawatt Hour</th>
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<tr>
<td>Plant Hammond 2014 Production Cost</td>
<td>$94.18</td>
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<tr>
<td>Low End of Responses to GPCo Wind RFI</td>
<td>$23.77</td>
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<tr>
<td>Nine Responses to GPCo Wind RFI with Busbar Costs of Less than $30</td>
<td>$38.00</td>
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<tr>
<td>High End of Responses to GPCo Wind RFI</td>
<td>$92.26</td>
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Plant Hammond Recent Generation Similar to That of Other Coal Units Georgia Power is Retiring
Plant Hammond is About the Same Age as Other Coal Units Georgia Power is Retiring
Power from Plant Hammond is More Expensive Than Power from Other Coal Units Georgia Power is Retiring

![Bar graph showing the cost of power per megawatt-hour from different coal units. The costs are:
- Plant Hammond: $77.70
- Plant Kraft: $74.59
- Plant Yates: $67.86
- Plant Branch: $71.05
]