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Georgia regulators approve Georgia Power's request to burn wood for fuel. At what cost?

BY KALA HUNTER

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A drone shot of the Enviva Northampton wood pellet mill near the North Carolina, Virginia border. The pellets will be burned to use for fuel. *Dogwood Alliance*

Environmental lawyers, scientists and environmental justice advocates are raising alarm after the Georgia Public Service Commission gave Georgia Power the green

light to add 80 megawatts of woody biomass fuel to its energy portfolio.

They say the deal is bad for the environment and will come at a high cost to Georgia Power's customers. But the PSC found enough value in it to pass the request 4-1 Tuesday, and some advocates are optimistic that this will provide benefits.

"The economic benefits amount to no more than \$330 million, which are pennies compared to several billion dollars in cost overruns," Aradhana Chandra Southern Environmental Law Center associate attorney said. "Frankly, customers would be better off paying a 330 million dollar handout to the forest industry, procuring the energy elsewhere, and they'd still have money leftover. It's such a blatant handout to subsidize the forest industry in Jesup."

Georgia Power asked for approval for biomass as part of a way to finalize the 2022 resource plan contract, a comprehensive plan dictating plans to ensure sufficient power is generated and provided.

The 80 MW deal that was agreed on Tuesday is split between three plants, including two existing paper mills in Macon and Chatham County owned by International Paper Together (those two plants are 10 MW to the grid and will run for ten years starting in 2026 and 2027). The third is a brand new 70 MW biomass plant in Wayne County, the Altamaha plant, which will run for 30 years starting in 2029.

One megawatt can power anywhere from 400-900 homes and a single data center, Chandra said. Data centers have spiked power demand across Georgia in recent months.

JOBS, TAX GENERATION WILL STEM FROM NEW PLANT

The exact cost of the deal is cited as a trade secret, but Georgia Power agreed to publicize the term "several billions." The exact number of jobs the Altamaha plant would create has also been designated as a trade secret. The rates will not affect bills until the plant operations begin in 2026, 2027 and 2029.

What is known is the cumulative total of three biomass projects is \$300 million in capital expenditures, \$17 million in local construction contracts, \$3.2 million in annual pay for new wood procurement crews and \$3.5 million in equipment, according to Chandra. She added county and school tax revenue would increase by \$6.5 million over 15 years.

One of the public service commissioners, Lauren "Bubba" McDonald, voted yes on this deal and declared his support for the biomass industry during a Sept. 12 hearing.

"I live in a county with a biomass plant and it has had a great impact on the ad valorem taxes like schools and law enforcement and roads," he said. "Georgia is fortunate to have a diversity in resource generation. Yes there is a little investment that, we, the ratepayers will make but the benefits far exceed the cost."

Commissioner Tricia Pridemore was the lone "no" vote for the biomass agreement.

"Georgia was the number one state in America for forestry before (this vote), and although I appreciate the forestry industry in Georgia, the high costs and limited reliability of these projects are not something I can support," she said in a statement.

Pridemore said record inflation has affected the costs of power for all Georgians, and this proposal will make it worse, so she "will not support this expensive energy."



Commissioner Tricia Pridemore has served since 2018. She is a Republican based in Marietta, Georgia and serves District 5. She is the only Commissioner who voted no on the biomass agreement (Docket #44880) on Tuesday Sept. 17. Samir Ahmed *Public Service Commission*

But Georgia Power says this move will diversify power options and add reliability

"Georgia Power's diverse energy helps ensure the company has the resources necessary to provide clean, safe, reliable and affordable energy for all customers, 24/7," Georgia Power spokesperson John Kraft, said in a statement.

He added, "the benefits of biomass as a renewable resource for Georgia's forestry industry and rural and economic development growth are recognized by the PSC. It is a non-intermittent energy resource with onsite fuel that can provide energy and capacity in any hour of the day."

The Southern Environmental Law Center argues biomass isn't reliable. During the peak of winter storm Elliot in 2022, 90% of Georgia Power's biomass was offline, according to SELC.

"This decision is a slap in the face for Georgia Power customers and bad for the environment," Treva Gear, Georgia campaign manager for Dogwood Alliance, said in an email. "Despite having evidence that the GA power biomass expansion would be costly for already energy burdened ratepayers, increase air pollution, and harm our environment."

'MISSING THE FOREST FOR THE TREES HERE'

Commissioner and Vice-Chairman Tim Echols, who has served on the commission since 2011, told Adhana in the Sept. 12 hearing forests would be burned anyway for management purposes and that rotten wood in a forest will create toxic methane pollution that will just be wasted.

"Tim Echols' claim is built from assumptions that range from bold to outright incorrect; and are composed together into a false narrative," Amy Sharma, executive director of Science4Georgia said in an email." We are missing the forest for the trees here. There is no way that there is enough naturally occurring felled biomass (even from severe storms) to support a power plant. Methane release is a red herring. This facility is creating an incentive to clear more forests."



These trees were clearcut at a site in Clinch County, Georgia. They will be taken to a biomass facility, turned into wood pellets and burned for fuel. *Dogwood Alliance*

But Marilyn Brown, director of Project Drawdown, said she can understand a use for paper mill waste to be used for biomass.

"I am enthusiastic about biomass facilities in conjunction with the paper industry," she said. "In some cases it's a waste product of printed paper. Its environmental attributes are better than simply using timber and hauling logs to burn."

Chandra argues the entire process adds more carbon and is harmful to the environment.



Arandhana Chandra is an associate attorney with the Southern Environmental Law Center. She worked closely on the biomass case and the Integrated Resource Plan 2022 plan for Georgia Power. *Southern Environmental Law Center*

"Whether it's burning wood for energy or manufacturing wood pellets to ship overseas, every stage of the biomass industry harms the environment and nearby communities," she said.

The Georgia Forestry Commission calls the biomass industry viable, and says it's an improved alternative to coal and natural gas.

"The Georgia Forestry Commission fully supports the Georgia Public Service Commission's decision to burn woody biomass for energy," Georgia Forestry Commission Director Johnny Sabo said. "Wood biomass does not pose a threat to the sustainability of our forests, as our annual scientific surveys show that we grow 54% more timber than is harvested annually."

WHO DOES THE COMMISSION REPRESENT?

During a Sept. 12 hearing related to this biomass ruling, Pridemore read aloud an opening statement about the mission of the PSC

"The mission is to exercise its authority and influence to ensure that consumers receive safe, reliable and reasonably priced telecommunications, electric, and natural gas services from financially viable and technically competent companies," Pridemore said.

Echols sought to emphasize who the commission represents, saying, "we represent everyone in the state, not just Georgia Power; we represent the truck driver, the chipping crew, and while it's very difficult for this biomass to come to market and get approved, the tiny bit we have on our system is really important to the forestry industry."



Tim Echols is the Vice-Chariman of the Georgia Public Service Commission. He is a Republican based in Hoschton and serves district 2. He has served since 2011 and voted yes to the biomass agreement (docket 44880). Samir Ahmed *Public Service Commission*

Andrea Young, the government public policy director of Georgia WAND, a social and environmental justice nonprofit, said Echols should be focused on representing consumers.

"The commissioners on the PSC do not represent Georgia Power, but regulate the rates of utilities to decide what are fair and reasonable rates for energy, natural gas and telecommunications," she said. "It is this misunderstanding of the purpose of the PSC and the role of the commissioners that has allowed Georgia Power to raise rates while garnering profits above industry standards."

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KALA HUNTER COLUMBUS LEDGER-ENQUIRER

505-715-8987

Kala Hunter is a reporter covering climate change and environmental news in Columbus and throughout the state of Georgia. She has her master's of science in journalism from Northwestern, Medill School of Journalism. She has her bachelor's in environmental studies from Fort Lewis College in Colorado. She's worked in green infrastructure in California and Nevada. Her work appears in the Bulletin of Atomic Science, Chicago Health Magazine, and Illinois Latino News Network.

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