

# SOUTHERN ENVIRONMENTAL LAW CENTER

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May 1, 2020

**VIA E-FILE & OVERNIGHT MAIL**

Mr. Walter L. Thomas, Jr., Secretary  
Alabama Public Service Commission  
RSA Union Building  
100 North Union Street, Suite 950  
Montgomery, AL 36104

**RE: Alabama Power Company Petition for Certificate of Convenience and  
Necessity; Docket No. 32953**

Dear Secretary Thomas:

On behalf of Intervenors Energy Alabama, Gasp and Sierra Club, please find a *Joint Motion for Supplemental Briefing and Request for a Briefing Schedule* enclosed for filing in the above referenced matter.

This filing is submitted to the Commission through its e-filing system, consistent with the rules and practices of the Commission. The original and one copy are being delivered to the Commission via overnight mail.

Please contact me if you have any questions or concerns regarding the enclosed.

Sincerely,



Keith Johnson

Southern Environmental Law Center

Encl.

**BEFORE THE  
ALABAMA PUBLIC SERVICE COMMISSION**

**IN RE: Petition for a Certificate of  
Convenience and Necessity by  
Alabama Power Company**

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**Docket 32953**

**JOINT MOTION FOR SUPPLEMENTAL BRIEFING  
AND REQUEST FOR A BRIEFING SCHEDULE**

Energy Alabama, Gasp and Sierra Club hereby jointly move for supplemental briefing in the above-referenced docket and request the issuance of a scheduling order to allow the parties the opportunity to fully brief the impact of the coronavirus pandemic on the need and timing of Alabama Power Company's ("Alabama Power") petition for a certificate of convenience and necessity ("Petition"), given the steep economic contraction and resulting collapse in energy demand as a result of the coronavirus pandemic. A Proposed Order is attached as Exhibit 1.

On September 6, 2019, Alabama Power filed a Petition with this Commission under Alabama Code § 37-4-28, seeking to add approximately 2,400 megawatts ("MW") of new generation resources to meet an asserted need for a 25.25% winter target reserve margin to address the potential for peak winter loads between the hours of six and eight a.m. on weekday mornings. Parties have pre-filed testimony and taken discovery, and on March 9-11, 2020, Administrative Law Judge Garner held a public evidentiary hearing in Montgomery, Alabama. Post hearing briefs fashioned as proposed orders in this proceeding were required to be filed by Friday, May 1, 2020. *Procedural Ruling Granting Extension of Time to File Post Hearing Briefs in the Form of Proposed Orders* ¶ 2 (April 14, 2020).

Since the initiation of this case, and end of the evidentiary hearing on March 11, a coronavirus pandemic has spread globally. Wide swaths of the United States, including Alabama, have implemented stay-at-home orders, closing many commercial and industrial facilities. Jiachuan Wu *et al.*, *Stay-at-Home Orders Across the Country*, NBC News (Apr. 29, 2020), <http://www.nbcnews.com/health/health-news/here-are-stay-home-orders-across-country-n1168736>. And, in the United States, over 30 million people have filed for unemployment in the past six weeks. Katia Dmitrieva, *Job Losses Deepen in Pandemic With U.S. Tally Topping 30 Million*, Bloomberg (Apr. 30, 2020), <http://www.bloomberg.com/news/articles/2020-04-30/another-3-8-million-in-u-s-filed-for-jobless-benefits-last-week>.

The United States as a whole has experienced significant economic disruption, with the U.S. Bureau of Economic Analysis reporting that the economy has contracted by 4.8% in the first quarter of 2020. *Gross Domestic Product, 1st Quarter 2020 (Advance Estimate)*, U.S. Bureau of Economic Analysis (Apr. 29, 2020), <http://www.bea.gov/news/2020/gross-domestic-product-1st-quarter-2020-advance-estimate>.

As a result of the coronavirus-induced economic contraction, numerous studies have documented a collapse in energy demand in the United States. For example, on March 27, 2020, early in the pandemic's spread in the United States, the Electric Power Research Institute issued an analysis documenting the collapse in demand for electricity and reductions in peak demand of up to 7% in the states that were hit first by the coronavirus. *See See Elec. Power Res. Inst., COVID-19 Bulk System Impacts* (Mar. 27, 2020), <http://mydocs.epri.com/docs/public/covid19/3002018602R2.pdf>. As the pandemic has spread throughout the United States, so has economic disruption and a reduction in energy demand. For example, the Edison Electric Institute issued a report that electricity demand has now fallen 5.7 percent to date, to its lowest level in sixteen years.

Scott DiSavino, *COVID-19: America Hasn't Used This Little Energy in 16 Years*, World Economic Forum (Apr. 14, 2020), <http://www.weforum.org/agenda/2020/04/united-states-energy-electricity-power-coronavirus-covid19/>.

The U.S. Energy Information Administration is forecasting sharp contractions in commercial and industrial retail sales of between 4-5%, and an overall reduction in electricity demand. *Short-Term Energy Outlook*, U.S. Energy Information Administration (Apr. 7, 2020), <http://www.eia.gov/outlooks/steo/>. This echoes the International Energy Agency's forecast of a 5% decline in demand. *Global Energy Review 2020*, International Energy Agency (Apr. 2020), <http://www.iea.org/reports/global-energy-review-2020/electricity#abstract>. Moreover, research to date indicates the contraction in demand specifically impacts morning peaks in demand, which is what Alabama Power cites as the need that is driving its request for 2400 MWs of capacity resource acquisitions. McGara Dewan, *See How Coronavirus Is Transforming Power Demand in MISO and the Northeast*, GTM (Apr. 8, 2020), <http://www.greentechmedia.com/articles/read/hourly-data-from-miso-and-the-northeast-shows-coronavirus-impact-on-demand> (“[T]he rate of increase in load from 5 a.m. to 9 a.m. has declined”). Wood Mackenzie forecasts the loss of demand will be significant and will last through 2021, as the economy enters a sharp recession. Rob Whaley & Paul Taube, *WoodMac: Coronavirus Will Undercut North American Power Demand Through 2021*, GTM (Apr. 7, 2020), <http://www.greentechmedia.com/articles/read/coronavirus-will-undercut-power-demand-from-east-to-wecc>. In ERCOT, for example, Wood Mackenzie is predicting a loss of 4.6 gigawatts of demand in 2020, and 2.1 gigawatts in 2021. *Id.*

Also, as recent history indicates, Alabama Power's plans and need for new capacity may change due to an economic recession. In its 2013 Integrated Resource Plan (IRP), Alabama Power cited the Great Recession of 2008-2009 as the reason why its capacity needs shifted to years later:

“[T]he indicated need for new capacity as early as 2022 in the 2010 IRP has moved out to later years due to the impacts of the Great Recession on the load forecast.” Ex. 2, at 1. The U.S. Federal Reserve has already indicated that the U.S. economy may well be in a recession. Nick Timiraos, *Powell Says Economy May be in Recession, Virus will Dictate Timetable* (March 26, 2020), <https://www.wsj.com/articles/powell-says-economy-may-be-in-recession-virus-will-dictate-timetable-11585222769>.

Given Alabama Power’s request in its Petition for an unprecedented increase in its overall capacity resources, at a time of significant upheaval in the industry and in electricity demand, Intervenor respectfully request that the Commission allow supplemental briefs and issue a scheduling order, consistent with the attached Proposed Order, attached as Exhibit 1, that allows the parties to more fully brief the potential for the coronavirus pandemic to impact Alabama Power’s perceived need for an additional 2,400 MW of capacity resources.

Respectfully submitted this 1st day of May, 2020.

  
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*Counsel for Sierra Club*

## CERTIFICATE OF SERVICE

I hereby certify that on May 1, 2020, I served the foregoing *Joint Motion for Supplemental Briefing and Request for a Briefing Schedule* via electronic mail to the parties below:

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*Keith Johnston*  

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Keith Johnston

# **Exhibit 1**

**BEFORE THE  
ALABAMA PUBLIC SERVICE COMMISSION**

**IN RE: Petition for a Certificate of  
Convenience and Necessity by  
Alabama Power Company**

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**Docket 32953**

**PROPOSED ORDER**

At issue in Docket No. 32953 is the Alabama Power Company’s petition for a certificate of convenience and necessity (“Petition”) with this Commission under section 37-4-28, Code of Alabama, seeking to add approximately 2,400 megawatts (“MW”) of new generation resources to meet an asserted need for a 25.25 percent winter target reserve margin to address the potential for peak winter loads between the hours of six and eight a.m. on weekday mornings. Since the inception of Docket No. 32953, the nationwide demand for energy has been greatly impacted by the coronavirus pandemic. The pandemic will likely affect the volume of demand on Alabama Power’s grid, and the timing of that demand.

IT IS, THEREFORE, ORDERED BY THE COMMISSION, that the parties shall file briefs on the pandemic’s potential impact on the timing and scope of demand, and the resulting need for capacity resources, as reflected in Alabama Power’s Petition, as follows:

On June 1, 2020, Alabama Power shall file a brief identifying the potential impact of the pandemic on the timing and scope of its demand, and its resulting need for capacity resources, as reflected in its Petition;

On July 1, 2020, Intervenors may file briefs in response to Alabama Power's brief, addressing the potential impact of the pandemic on the timing and scope of Alabama Power's demand, and its resulting need for capacity resources, as reflected in its Petition; and

On August 1, 2020, Alabama Power may file a reply brief.

**DONE** at Montgomery, Alabama, this \_\_\_\_ day of \_\_\_\_\_, 2020.