WRITTEN TESTIMONY

Submitted to the

United States House of Representatives

[Committee on Energy and Commerce / Subcommittee on Energy]

May 13, 2026

Testimony of Clay Rikard

Southern Company

I. Introduction

Chairman Latta, Ranking Member Castor, Chairman Guthrie, Ranking Member Pallone, and distinguished Members of the Subcommittee: thank you for the opportunity to testify today on behalf of Southern Company.[1] My name is Clay Rikard, and I am the Senior Vice President of System Planning, where I lead resource and transmission planning, retail generation development, and resiliency planning for our electric operating companies. It is my job to plan the least-cost, most reliable energy system for our customers. I understand that there are a lot of discussions about how to best plan our energy grid, and I am here today to share how a utility like Southern Company approaches these matters to help inform this Committee and your peers in Congress.

Southern Company is a holding company that owns vertically integrated, state-regulated utilities serving 9 million customers across the Southeast and beyond, including retail electric companies in Georgia, Alabama, and Mississippi, and natural gas distribution businesses in Georgia, Tennessee, Virginia, and Illinois. The company also has a competitive generation company, a leading distributed energy solutions provider with national capabilities, and a fiber optics and telecommunications business.

We are experiencing unprecedented load growth, and our electric utilities are moving with speed to provide power to our customers that is both reliable and affordable. To serve this growth, we are optimizing the existing system and building new infrastructure, while also working to ensure that growth from large customers benefits and protects families and small businesses. Our long-term approach to planning and investment is exemplified by our recently

[1] Southern Company is a holding company that conducts its business through its subsidiaries; accordingly, unless the context otherwise requires, references in this testimony to Southern Company's operations, such as generating activities, refer to those operations conducted through its subsidiaries.

completed projects like Plant Vogtle Units 3 and 4, which are the first new nuclear units built in the United States in more than 30 years. Plant Vogtle will provide large-scale, carbon-free baseload power to support growth and reliability for decades.

There is no other region of the country that is seeing the successes that we are seeing in the Southeast. This success is directly due to our vertically integrated, state-regulated market structure and our long-range integrated resource planning (IRP) processes, which enable us to holistically plan our system under the careful oversight of our state commissions who are best positioned to understand the energy needs of their states.

We urge this Committee and Congress to ensure that any legislation impacting our industry, particularly legislation addressing transmission and the way we design and engineer the grid, prioritizes reliable and affordable power delivery for customers through processes that are transparent and orderly, without sacrificing speed for regions like the Southeast that are working to bring power online quickly.

My testimony will (1) outline the success story of the vertically integrated, state-regulated Southeast, (2) explain why our market structure and IRP processes result in a holistically planned system that provides the least-cost, most reliable energy solutions, (3) discuss why Congress should ensure that any legislation impacting the grid does not ultimately result in less affordable and reliable power, or make it take longer to get power to customers, and (4) recommend steps Congress can take that should enable more linear infrastructure development, including electric transmission.

II. The Southeast is Delivering Power at Speed to Customers that is Both Reliable and Affordable, Without Congressional Mandates

Southern Company's goal is to serve the growing demand for electricity in the Southeast with power that is both reliable and affordable, while also delivering the speed that our customers demand. Southern Company's operating territories continue to see extraordinary growth and economic development opportunities. The incredible projected demand for power from data centers and large manufacturers has culminated in 23 gigawatts of contracted or late-stage to-be-contracted load. Beyond that, our prospective demand pipeline of large load customers continues to grow and today exceeds 75 gigawatts which, combined with what is already contracted, is more than double the size of Southern Company's system.

Southern Company's operating companies are therefore taking on one of the largest expansions of any utility in history, with over 10 GW of approved new dispatchable resources underway and being built across our retail electric companies over the next five years. Beyond that, new generation procurement processes in Georgia and Alabama for several more gigawatts are on-going, demonstrating the value of the transparent and orderly processes that are designed to ensure that we are ready to serve growth. We are also deploying new battery energy storage technologies at an unprecedented scale, with several gigawatts approved and under development across our system to provide additional flexibility and reliability as demand continues to grow.

We are also making substantial investments to enhance our operations, including building approximately 750 miles of new transmission and 1,350 miles of upgrades, reconductors and rebuilds, with nearly half of those existing line improvements utilizing advanced conductors. We are installing advanced conductors and grid-enhancing technologies when it makes sense for our customers and our systems. And we are doing all of this while having no delays in our generator interconnection queue process (the amount of time that it

takes to evaluate getting a resource connected to the transmission system). In short, we are relentlessly executing to make sure that energy is there when it is needed by our customers.

As we are serving this growth, we are also focused on customer affordability and rate stability. Our market structure is designed to serve growth while providing meaningful benefits to customers. Our approach is structured so that large customers pay their *full cost to serve*, through minimum "take or pay" bill requirements under long-term contracts that include robust collateral protections. This structure helps ensure that growth can, and does, work for everyone, rather than shifting costs to residential customers and small businesses. We are demonstrating that economic growth and customer affordability can be accomplished together.

Today, our retail rates remain over 10% below the national average. In addition, our non-storm retail base rates are frozen through at least 2028 in Alabama and 2029 in Georgia, and Georgia Power has further committed to customer savings of at least $1.6 billion over a three-year period as a direct result of revenues that we are receiving from large customers. We are demonstrating that this extraordinary growth opportunity can have mutual benefits for all stakeholders today and into the future.

We are also using public-private partnerships to amplify the customer benefits of this growth. Earlier this year, Georgia Power and Alabama Power secured up to $26.5 billion in loan guarantees from the U.S. Department of Energy, which is the largest energy infrastructure commitment in the Department's history. That financing is expected to reduce interest expenses by more than $300 million annually once fully drawn, translating into over $7 billion in estimated customer savings over the life of the loans. Importantly, our market structure allows us to directly pass these savings to customers as we continue making large-scale investments to support reliability, affordability, and long-term growth. The loan package supports a broad

portfolio of infrastructure, including natural gas generation, nuclear uprates and license extensions, hydropower, battery energy storage, and transmission and grid enhancements.

III. Southern Company's Ability to Capture Growth, Build a Reliable Grid, and Focus on Affordability is Due to the Holistically Planned System that is a Direct Outcome of the Vertically Integrated, State-Regulated Market Structure in the Southeast

So, why are Southern Company and the Southeast well positioned to capture growth and help ensure that growth benefits customers? Why has our company and our region been able to stay open for business for large customers, rather than run from it? In short, why is the energy system working so well in the Southeast?

The answer is simple: our vertically integrated, state-regulated market structure and our IRP process keep the customer at the center of everything that we do, and result in the least-cost, most reliable, energy solutions for customers (that are delivered with speed). This structure is particularly valuable when designing such a complex system as an energy grid, and it is critical in this age of large growth.

a. State-Regulation Ensures Careful Oversight of Energy Outcomes by Those Closest to the Energy Needs of the State

Energy solutions—especially transmission and generation—are intensely regional. Our region benefits from state policies and state Public Service Commissions that best understand the energy needs of our states. Every IRP we produce is reviewed, challenged, and approved or modified by our state commissions who hold us directly accountable *to deliver the least-cost, most reliable solution for customers*. They understand the energy needs, local economic conditions, policy priorities, and specific challenges of their states and citizens. What is optimal for one state or region may differ significantly from what is optimal for another, and state regulators are best positioned to weigh factors that are deeply local. Vertical integration and state regulation therefore keep decision-making close to those who are most impacted by the

decisions. Additionally, as explained below, because our system is holistically coordinated and planned for the long-term, we are able to see system needs and quickly take solutions to our regulator that meet those needs, reliably and at the lowest cost.

b. Vertical Integration Allows for Holistic, Life Cycle Planning Without Silos, Resulting in the Least-Cost, Most Reliable Energy Solutions for Customers

The other contributor to Southern Company's success is our vertically integrated structure: because we own generation, transmission, distribution, and fuel decisions, we holistically plan them together. We do not plan in silos.[2] Our generation and transmission planners sit around the same table working off a common set of inputs and assumptions. A decision about generation informs transmission. A decision about transmission informs fuel strategy. Everything connects, and every decision is evaluated based on the least-cost, most reliable solution for our customers over the long term. That is how the IRP process is designed to result in the most economic, optimal, efficiently designed grid to serve customers.

A further differentiating benefit of this planning structure is the precision it provides when evaluating new large load customers, such as data centers. Because we plan generation and transmission together through our IRP, we can see clearly where and how a proposed data center will affect the system and quantify the full cost to serve that new load. This enables us to confidently follow through on commitments to require large customers to pay at least their full cost to serve, ensuring that new growth does not shift costs onto existing residential and small business customers. In market structures where generation and transmission planning are

[2] Utilities that are not vertically integrated and nearly all utilities that are in regional transmission organizations (RTOs) or Independent System Operators (ISOs) cannot conduct this level of integrated planning because they either do not own all aspects of the energy value chain, or the RTO/ISO is responsible for transmission planning. This is a significant disconnect for those utilities, and a significant advantage for the customers in regions like ours.

separated or handled by different entities, developing this level of cost certainty and accountability is materially more difficult.

i. We Evaluate Integrated Supply- and Demand-Side Resources Through a Structured IRP Process

The IRP considers a broad range of supply-side and demand-side options, including all forms of generation, storage, demand response, energy efficiency, and even power from other regions transferred across long, interregional transmission lines. It is designed to capture every bit of value out of our existing system, and then plan for the least-cost, most reliable energy solution for our customers. First, we establish reliability criteria through an exhaustive process to ensure we have resource adequacy. The reliability criteria is necessary to assess the system's capacity and energy requirements; that is, how much capacity and energy we need to serve our customers, and whether that energy will be there when we need it.

Once we have our peak demand and energy forecasts and target reserve margins established, we conduct expansion and energy planning analyses to determine the most optimal resource types to provide the least-cost, most reliable capacity and energy plans. We evaluate how a wide range of resource options can meet these needs by comparing their total cost, reliability contribution, operational characteristics, and ability to perform under a variety of conditions on a consistent basis. The selected portfolio of resources is tailored to the specific needs of each operating company, while maintaining flexibility to adapt as conditions evolve. We also develop 20-year forward-looking forecasts and incorporate multiple scenarios and sensitivities, including load-growth, and fuel prices, as well as environmental policies. The results of the expansion and energy planning analysis ensure we are evaluating a range of economic conditions that may differ materially from current economic conditions. This process is designed to ensure that we make decisions with the best available information, while

appropriately considering the risk associated with long-term resource planning decisions in the best interest of customers.

When additional resources are needed, we run competitive Requests for Proposal (RFP) processes that are open to all resource types, geographies (including resources outside of our territory) and developers (i.e., merchant developers, Independent Power Producers, etc.). The RFP process reflects the competitive nature of our market and the importance of state oversight. It is designed to ensure the most economic options are considered to assemble the optimal portfolio from the full range of available tools.

ii. Our Holistic Planning Process Includes Long-Term Transmission Planning Designed to Deliver Reliable Power for All Customers

Transmission is integrated into the IRP process from the beginning; it is not treated as an afterthought. When we evaluate whether to build or procure a new generation resource, we evaluate the total life-cycle cost to the customer, or the "all-in" cost of energy, including all capacity, energy, ancillary services, fuel, and the wires and pipes needed to deliver these products. This total-cost approach is designed to ensure that every resource decision reflects what customers will actually pay for all aspects of the resource. For example, we would not just evaluate the cost to enter into an agreement to buy wind power from Kansas; we would look at the net benefit of delivering energy to our customers, including associated transmission costs, as compared to other options to determine the most beneficial solution for our customers.

1. Southern Company's Transmission Planning Process

Southern Company performs long-range transmission planning, looking a decade plus into the future to avoid transmission constraints. We use advanced modeling techniques to model the entire system: every line, every transformer, every breaker, and every load. We run thousands of simulations to determine where constraints could occur on the system, and we

then consider all possible solutions that could alleviate those constraints (e.g., standard conductors, advanced conductors, new local, regional, and interregional transmission, new generation, etc.). Indeed, we are held accountable for evaluating all relevant solutions to find the least-cost, most reliable solution for customers. We not only analyze steady-state operations of the transmission system, but also plan for situations of instability; for example, the immediate loss of a significant amount of load.

This analysis is ongoing and iterative so that we can plan for our ever-changing customer needs and projected growth. As mentioned, because transmission is planned alongside our generation, we know where transmission needs to be and the best location for customers looking to connect to the grid. This planning process is designed to ensure firm delivery of resources to serve customers, thus avoiding transmission congestion. Our transmission planning is reviewed by our state commissions, who hold us accountable for prudent investments. Furthermore, our plans are reviewed and challenged by stakeholders through the Southeastern Regional Transmission Planning Process, and we work with our neighboring utilities to evaluate regional alternatives to identify projects that could create more value for our customers.

2. Advanced Conductors and Grid Enhancing Technologies

Optimizing the existing transmission system is more critical than ever, as we move with speed to power our customers. We evaluate our transmission needs and solutions on a case-by-case basis and balance factors like cost, geography, and the need for speed as we make investment decisions.

In particular, advanced conductors are increasingly a great tool to maximize our transmission capacity. Advanced conductors, including high-temperature low-sag conductors can significantly increase the thermal capacity of existing transmission corridors limiting

structure replacements and without requiring new rights-of-way. We have more than 700 miles of advanced conductors planned across our system, approximately 50% of the existing transmission lines that we are reconductoring will use advanced conductors.

In addition to advanced conductors, we also use other advanced transmission technologies such as power-electronics devices known as static synchronous compensators, or STATCOMs. These devices continuously stabilize the transmission grid by providing dynamic voltage support, thus enabling a more seamless integration of dynamic loads like data centers. Southern also takes advantage of other grid-enhancing technologies. We have been using ambient adjusted ratings of transmission lines for years. We also evaluate the use of dynamic line ratings on a case-by-case basis. These operational tools allow adjustment to line ratings based on actual environmental conditions to ensure we are optimizing the use of the grid.

By evaluating this full portfolio of transmission solutions alongside generation options, we are not building new lines when existing infrastructure, upgraded with advanced technology, can meet the need at lower cost to customers.

3. Interregional Transmission

Having the ability to import and export an appropriate amount of power between regions of the country is important for reliability. As with other decisions, we evaluate interregional transmission based on (1) whether there is a reliability need for the system; and, if so, (2) whether interregional transmission is an economic solution to meet that need. Additionally, the physics of the power grid influence whether interregional transmission is the right solution for customers.

Reliability: Southern Company can import power from all five of our neighboring regions, and we plan deliberately to preserve that capability. Our planning process will build and maintain interface capability to effectuate firm commitments that are needed to serve our load as part of the IRP process or to maintain third-party firm commitments. Furthermore, we evaluate the need for interregional transmission from a reliability perspective and maintain headroom on our transmission interfaces specifically for us to import power during emergency situations. Thus, Southern Company has never been transmission-constrained during a peak reliability event, but, at times, other regions have lacked power to sell during those events. In other words, generation shortfalls were the constraint[3] The process to maintain this import capability has been a component of our IRP for decades and it has been our experience that during recent emergency situations, like winter storms, we have not had any transmission constraints that would limit the ability to import power from our neighbors.

Economics: Our IRP/RFP process evaluates the economics of interregional transmission on the same total cost basis as every other option. We consider the capital cost of the transmission infrastructure, the energy benefits it enables, the capacity benefits it provides, and the ongoing costs of maintaining the interconnection. Only when that full accounting produces a net benefit to customers does interregional transmission make sense for customers as the least-cost, most reliable solution.

Importantly, we are not just considering the cost to build the large interstate line (or the associated energy we may transfer across the line), which would significantly understate the

[3] NERC's own reliability assessments confirm this pattern, consistently identifying significant portions of the RTO footprint as being at elevated risk of energy shortfalls, even in regions that have made substantial investments in interregional transmission infrastructure. More wires cannot fix a shortage of megawatts.

cost. We are also considering the significant additional integration costs, network upgrades on both ends of the inter-regional transmission lines, additional operating costs to mitigate contingency risk from the loss of multiple GWs of transfers, costs needed to address voltage support, inertia, fault current, etc. This is why an interregional line that is a few hundred miles long can cost billions of dollars. In other words, we do not just consider the cost to build an interstate highway. We consider the cost to build the off-ramps and the feeder roads off the highway, so that the highway itself has value.

Physics: Our evaluation of interregional transmission also accounts for a fundamental physical reality that simplified national planning models often understate. It is not just about megawatts. Reactive power, or megavars, is equally critical to maintaining voltage stability across the grid, and megavars do not travel well over long distances. The further you move power, the more reactive support you need along the way. This means that even if you build the transmission, you still need generation resources and significant reactive compensation that can behave like a generator located close to load centers to maintain voltage profiles during stressed system conditions[4].This does not mean that interregional transmission can never be a solution, but it does mean that we have to take these grid realities into account when planning our system.

IV. Congress Can Enable Growth and Protect Customers by Allowing State Processes that Deliver Reliable, Affordable Power to Continue Working, and by Passing Permitting Reform to Enable Infrastructure Development

There are at least two things that Congress can do to help enable the fast delivery of reliable, affordable energy systems in this country, while also protecting customers. First,

[4] National studies that advocate for massive interregional transmission buildouts often rely on simplified power flow models that do not fully reflect the complexity of real-time operations. Our planning explicitly accounts for these realities. The physics have not changed, and thousands of miles of new transmission will not change them.

Congress can allow systems and regions that are achieving all our shared objectives to continue working. Second, Congress can pass permitting reform to mitigate obstacles to building the energy infrastructure that this country needs.

a. Congress Should Enable Regions that Are Already Effective to Continue Delivering Sound Energy Results, and Avoid Federal Solutions that Override State-Regulated Planning and Add Cost and Delay

Congress should continue to enable states that have the ability—through state regulation and holistic planning processes—to optimize their grids for the benefit of their customers (and based on the specific needs of the state), *without* imposing a federal mandate or one-size-fits-all approach that could stifle growth and increase cost. From a customer perspective, particularly in regions like the Southeast that are already delivering reliable, affordable power, Southern Company is concerned that congressional efforts to override state-regulated planning and federalize transmission planning would work against our customers' best interests.

For example, federalizing siting and permitting, imposing interregional transmission mandates, or prescribing specific generation and transmission outcomes could drive higher costs for our customers, weaken our system reliability, and disrupt our efficient, integrated planning. These approaches could also slow our ability to deliver power to large customers at a time when the nation is racing to meet rapidly rising demand. They would also remove authority from the state regulators who know their communities and energy needs best. Additionally, federally directed transmission outcomes, such as mandated interregional transmission development, could impose significant costs on our customers and still leave unresolved the underlying resource adequacy challenges facing stressed regions.

For Southern Company, if importing power generated from distant regions were more cost-effective on a full, system-wide basis than other energy solutions, we would already be pursuing those investments to serve our customers.[5] Instead, when evaluated on a total cost-benefit basis, those projects have not been the least-cost, most reliable solution for customers.

b. Congress Can Enable Transmission Development and All Energy Infrastructure Development by Passing Permitting Reform

Many parts of the country are experiencing significant delays building all forms of energy infrastructure, including electric transmission. Congress can remove obstacles and risks to deploying large infrastructure, while also protecting environmental considerations, by passing common sense permitting reform, including changes to the National Environmental Policy Act (NEPA), judicial review, the Clean Water Act, and the Endangered Species Act. Reliable, economic power systems require capital intensive investment. Our country is making significant investments in the coming years to grow our grid and increase its reliability and resilience. But at this level of investment, permitting delays and potential cancellations of linear infrastructure introduce significant risk that can slow down spend and further investment. Permitting reform can remove costs and risk that allow the industry to confidently invest in the needed infrastructure to support this growth.

If Congress passed permitting reform, many challenges associated with building transmission in certain parts of the country would be remedied. Permitting delays have been the primary cause of the years-long delay experienced by many transmission projects across the

[5] Southern Company has applied this standard to real-world decisions. We have performed several evaluations on transmission projects that aimed to deliver energy, especially wind, from outside our service territory where wind resources are abundant. These evaluations were conducted under long-term, firm contract terms, accounting for the total cost and benefits and system interaction impacts that influence the effective load carrying capability. In our evaluations, these types of projects have not demonstrated net-benefit to our retail customers and also introduced risks.

country, rather than issues with state jurisdiction, cost allocation, or problems with the Federal Power Act.

V. The Vertically Integrated, State-Regulated Model is Already Delivering the Energy Future America Needs, and Congress Should Protect What is Working While Focusing Reform Where it is Truly Needed

Southern Company's goal is to serve the growing demand for electricity in the United States reliably, affordably, and with speed. We are adding more than 10 gigawatts of new dispatchable resources while freezing non-storm rates in Alabama and Georgia. We have never been transmission constrained during peak events, we have maintained no interconnection queue backlog, and we have a track record of execution and reliability that speaks for itself. This success is a direct result of our holistic, integrated planning and state commission oversight, as well as an unwavering commitment to putting customers at the center of every decision.

The vertically integrated, state-regulated utility model enables the affordable and reliable energy future America needs. It is the most proven, most accountable, and most customer-focused path to protect families and small businesses in this era of significant growth. We have demonstrated it, and I urge Congress to protect what is working for customers in the Southeast.