

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE UNITED STATES GENERAL SERVICES ADMINISTRATION
AND
SOUTHERN COMPANY SERVICES, Inc.**

This non-binding Memorandum of Understanding (“MOU”) is made and entered into by and between the United States of America, acting by and through the Administrator of General Services (“GSA”), and Southern Company Services, Inc. (“SCS”) (collectively the “Parties”). SCS is the authorized agent for The Southern Company (“Southern Company”).

Parties: GSA is an agency in the executive branch of the United States Government that provides centralized procurement for the Federal Government, offering billions of dollars’ worth of products, services, and facilities that federal agencies need to serve the public. Southern Company currently serves over 9 million electric and gas customers and is committed to sustainability as reflected in its goal of achieving net-zero greenhouse gas emissions company-wide by 2050 with an interim target of 50% reduction in emissions by 2030.

Effective Date and Term: This MOU will become effective upon execution by both Parties. The date of execution by the last Party to sign will be deemed to be the effective date of this MOU. This MOU will terminate two years from the effective date.

Authority: Pursuant to 40 U.S.C. 501(c), GSA is authorized to represent certain executive agencies in negotiations with public utilities. SCS is authorized to enter into this non-binding MOU on behalf of the Southern Company.

Purpose: The Parties will work collaboratively and expeditiously towards developing a non-binding carbon pollution-free electricity (“CFE”) plan (the “Plan”). The Parties will seek for the Plan to be implemented by 2030 and result in electricity that is 100% attributable to CFE resources for Federal Government electricity customers of the electric utility subsidiaries of Southern Company (“Southern Operating Companies”). Resources can be either owned or contracted for by the Southern Operating Companies with at least 50% meeting the Federal Government’s hourly matching objectives for 24/7 CFE. Further, by pursuing their respective sustainability goals, the Parties strive to provide benefits to the States of Alabama, Georgia, and Mississippi.

Background: In accordance with Executive Order 14057¹ and its associated Implementing Instructions,² the Federal Government established a goal to achieve 100% CFE on a net annual basis by 2030, including 50 percent 24/7 CFE. Southern Company's goal is net-zero emissions by 2050 and a 50% reduction in greenhouse gas emissions by 2030, as compared to 2007 levels.

Roles and Responsibilities: The Federal Government, as represented by GSA, strives to meet its sustainability goals while maintaining or improving affordability, reliability, and resilience of the electric power system. Achieving these sustainability goals benefits the environment and enables the continued expansion of economic renewable and CFE generation, which creates and provides jobs while increasing the tax base for local and state economies.

Southern Company (through the Southern Operating Companies) strives to provide and maintain excellent customer service, high reliability, and affordable electric prices. Southern Company has been building for the future of energy and developing a diverse portfolio of energy resources, including renewable and sustainable resources.

The Plan in General: In developing the Plan, the Federal Government, as represented by GSA, and SCS recognize the critical importance of the Southern Operating Companies' existing and future nuclear and other carbon pollution-free generation. The Parties will work together to ensure that these sources of CFE will be considered when reaching the annual and hourly matching CFE targets of Executive Order 14057. The Parties further recognize that the Plan should provide benefits to the Federal Government and to the Southern Operating Companies' other customers that Southern Operating Companies have an obligation to serve consistent with the regulation and oversight of their respective Public Service Commissions.

The Parties anticipate that under programs developed subject to the Plan, (1) SCS may match existing CFE to the Federal Government's load to ensure that the total share of CFE for all other SCS customers, namely non-participating customers, is not reduced on a load ratio basis by such programs; and (2) all costs of such programs, including the net cost of CFE generation and delivery, and the incremental cost of program administration shall be borne by the program participants, with no material cost increases without corresponding benefits to non-participating customers.

Four Major Emphasis Areas of the Plan: The Parties envision that the Plan would comprise four major emphasis areas to address the Federal Government's electricity needs served by the Southern Operating Companies:

¹ Executive Order 14057, Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability (December 8, 2021), available at Executive Order on Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability - The White House.

² Implementing Instructions for Executive Order 14057 Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability, The White House Council on Environmental Quality (August 2022), available at E.O. 14057 Implementing Instructions (sustainability.gov).

1. ~~Developing a roadmap for the Federal Government's electricity needs served by the Southern Operating Companies to meet the targets set out in the CFE requirements of Executive Order 14057.~~
2. ~~Designing a CFE tariff or identifying an applicable regulatory pathway that would provide the appropriate pricing and other terms needed to achieve the requirements of Executive Order 14057.~~
3. Subject to the Southern Operating Companies' respective resource planning and operation obligations, the construction and/or acquisition of the renewable and CFE resources needed to generate additional electricity and associated Renewable Energy Credits (RECs), which, in conjunction with Southern Operating Companies' existing and future nuclear, hydroelectric or other CFE resources would result in Federal Government operations using electricity that is 100% attributable to CFE resources by 2030.
4. In support of the requirements of Executive Order 14057, the certification and reporting of the RECs and Scope 2 emissions accounting to satisfy the requirements of the Federal Government, including hourly time matching of load and generation, as well as the certification of output of legacy CFE assets which are properly attributable to Federal Government customers.

Additional Plan Elements: In addition to the four major emphasis areas, the Plan may include one or more of the following:

1. Subscribing to a Southern Operating Companies CFE time matching tariff.
2. Assessing the prospect of the Southern Operating Companies constructing, owning, and operating a CFE generation and/or energy storage system at Federal Government facilities.
3. SCS developing additional tariffs for renewable energy, dispatchable CFE generation and battery storage, and flexible demand response to achieve full 24/7 CFE.
4. As appropriate, evaluating energy efficiency measures for Federal Government facilities to make implementation of the Plan more effective and economical.

Schedule: The Federal Government, as represented by GSA, and SCS will endeavor to complete the work necessary to develop the Plan, including a proposed implementation schedule, by May 31, 2024.

Communications: SCS and the Federal Government, as represented by GSA, also believe it is appropriate to communicate periodically with respective appropriate customers, investors,

regulators, and other stakeholders regarding the MOU and its contents in order to consider feedback from such stakeholders.

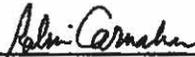
Terms and Conditions:

- a. ~~This MOU is effective on the date signed by the Parties.~~ The date signed by the last Party is the effective date of this MOU. This MOU remains in effect for a term of two years from the effective date unless terminated pursuant to Section c. below.
- b. This MOU may be amended by the mutual written agreement of both Parties through issuance of a written supplemental agreement that is signed and dated by both Parties.
- c. This MOU may be terminated 60 days after either Party provides written notice of such termination to the other Party.
- d. This MOU is to be construed in a manner consistent with applicable laws and regulations and GSA policies and procedures. This MOU neither expands or detracts from those powers and authorities vested in the Parties by applicable laws, statutes, or regulations. All actions undertaken pursuant to this MOU are subject to, and will be carried out in compliance with, all applicable laws, regulations, and other legal requirements.
- e. Any definitive agreement with a Southern Operating Company and/or tariff of a Southern Operating Company necessary to effectuate the Plan will be subject to applicable state laws, regulations, and approvals.
- f. This MOU is for internal management purposes for each of the Parties. It is not legally enforceable and shall not be construed to create any legal obligations on the part of either Party. This MOU shall not be construed to provide a private right or cause of action for or by any person or entity.
- g. This MOU in no way restricts either Party from participating in any activity with other public or private agencies, organizations, or individuals.
- h. This MOU is neither a fiscal nor a funds obligation document. Nothing in this MOU authorizes or is intended to obligate the Parties to expend, exchange, or reimburse funds, services, or supplies, or transfer or receive anything of value.
- i. All activities of GSA under or pursuant to this MOU are subject to the availability of appropriated funds and no provision herein shall be interpreted to require obligation or payment of funds in violation of the Anti-Deficiency Act, 31 U.S.C. § 1341.

- j. To the extent that a Party incurs costs as a result of actions taken pursuant to this MOU, such Party shall bear sole responsibility for such costs.

IN WITNESS WHEREOF, the Parties have executed this MOU on the dates hereinafter identified.

UNITED STATES OF AMERICA, acting by and through the Administrator of General Services

By: 
Robin Carnahan
Administrator
U.S. General Services Administration

Date 9/28/2023

SOUTHERN COMPANY SERVICES, INC.
By: 
Christopher C. Womack
President and Chief Executive Officer
Southern Company

10/13/23
Date