

Georgia Power Company Certified Demand-Side Management Programs First Quarter 2012 Status Report

In accordance with the Resolution of Outstanding Issues, signed June 30, 2010, included in the Supplemental Order of Docket No. 31082 for Demand Side Management (“DSM”) Implementation Monitoring, Georgia Power Company (“Georgia Power” or the “Company”) provides this first quarterly report for activity through March 31, 2012.

REPORTING FORMAT

The report begins with an overview of each of the certified DSM programs with marketing and training activities that have taken place during 2012. The overviews are followed by a graph displaying year to date program results segmented by customer class. Following the graph is a table of program specific results for current quarter, year-to-date and program-to-date performance as measured by participant level, energy savings, demand savings and cost.

GENERAL INFORMATION

As part of Georgia Power’s Application for Certification of its Demand Side Management Plan, five residential and two commercial energy efficiency programs were certified by the Georgia Public Service Commission (“Commission”) as DSM resources in Docket No. 31082. These seven certified DSM resources are expected to achieve approximately 104 GWH, 203 GWH and 290 GWH of energy reduction for the years 2011, 2012 and 2013 respectively. The ten year program plans have an expected annual 2,822 GWH reduction by 2020.

The guidance for the report development was provided in the Resolution of Outstanding Issues (“Resolution”), dated June 30, 2010, and approved by the Commission on September 10, 2010. Specific guidance given in the Resolution states:

Quarterly progress reports will include participation levels, program costs and program marketing information. The semi-annual report will be more detailed and will include participation levels, program costs and energy and demand savings information. The first semi-annual report will be completed and filed no later than August 15, 2012, for the six month period ending on June 30, 2012. The first quarterly report will be filed no later than May 15, 2012, for the quarter ending on March 31, 2012 (Page 3 of the Resolution).

As Georgia Power has developed its program implementation tracking tool and Commission report structure, the Company decided to provide the semi-annual report data as identified in the Resolution for all quarterly reports to the Commission.

This quarterly report shows activities associated with program implementation for all certified DSM programs (the new certified seven plus Power Credit, a load management program previously certified by the Commission).

CERTIFIED ENERGY EFFICIENCY PROGRAMS STATUS UPDATES - 2012

Residential Programs

EarthCents Residential Lighting & Appliance: The residential EarthCents Lighting & Appliance Program promotes the purchase and installation of energy efficient products by Georgia Power residential customers. The program focuses on increasing consumer awareness of the benefits of energy efficient technologies through customer education, retail partnerships and sales representative training, promotional distribution of compact fluorescent lamps (“CFLs”), new appliance rebates and markdowns reducing the cost of CFL bulb packs.

Throughout the first quarter, the Program continued to collect pledge cards for the Change the World campaign. Pledges were collected at 31 community events by Company hosts. Event attendees were each given one CFL bulb in return for their completed pledge; 2,362 CFL’s were distributed.

Major activities and accomplishments during this reporting period include:

- Conducted 2,094 retail site visits, labeling select ENERGY STAR qualified appliances and training customers and associates to use the Georgia Power EarthCents Appliance Rebates as well as the lighting markdown in participating Costco and The Home Depot stores;
- Conducted 18 in-store promotions highlighting CFL markdowns and engaging customers in energy efficiency program conversations at The Home Depot locations around the state;
- Conducted 342 Lighting Associate Trainings;
- Conducted 2,758 Appliance Associate Trainings;
- Conducted 372 Lighting Customer Trainings;
- Conducted 234 Appliance Customer Trainings;
- In the last two weeks of February, began removing all refrigerator rebate merchandising from the sales floors of all participating retailers and materials while continuing to train retail associates on the features and benefits of the qualified appliance;
- In the last two weeks of March, began removing all clothes washer rebate merchandising from the sales floors of all participating retailers and materials while continuing to train retail associates on the features and benefits of the qualified appliance;
- Began preparations for a two month offer of a \$25 ENERGY STAR qualified room air conditioner rebate available beginning May 1, 2012 at all Georgia BrandsMart USA locations;
- Began preparations to offer in the third quarter a \$20 ENERGY STAR qualified freezer rebate which is scheduled to launch at 350 plus appliance retail locations throughout the state of Georgia; and
- Updated Georgia Power website to reflect the 2012 Appliance Rebate Program.

EarthCents Residential New Homes: The Residential EarthCents New Homes Program focuses on a whole-building approach to improving the energy efficiency of new homes. The program promotes the installation of energy efficient measures in new home construction to improve the performance of participating homes to at least 15 percent above the existing

residential energy code. As such, the financial incentives for qualifying new homes are applied and paid to the home building contractor to offset the cost of a formal inspection by a certified Home Energy Rating System (“HERS”) rater and to assist with the incremental cost of installing the efficiency measures.

The housing construction slowdown continues. Industry experts predict a flat growth trend through 2012 and beyond. This market is affecting all aspects of new construction including the construction of high efficiency new homes.

Major activities and accomplishments during this reporting period include:

- Conducted Realtor training classes in Augusta and Brunswick with approximately 60 in attendance;
- Sponsored the Energy & Environmental Building Alliance (EEBA’s) “Houses that Work” Workshop for builders, raters, and realtors on energy efficient building practices;
- Continued to engage builders in the EarthCents New Home Program statewide through individual meetings as well as Home Builder Associations functions;
- Continued to engage all top production builders on the benefits of energy efficient EarthCents New Home construction;
- Began work on launching the Spring New Market Consumer Awareness Campaign utilizing EarthCents New Homes Program billboards statewide along with promoting the program through online advertising and consumer periodicals;
- Sponsored Fox 5’s weekly “Atlanta Best New Homes” Program promoting EarthCents New Home program to consumers, realtors and builders;
- Presented to South Georgia and Albany HBA’s on all Georgia Power Energy Efficiency Programs including the EarthCents New Home Program; and
- Began planning stages for hosting a key stakeholder summit for May that will include builders, raters, realtors, appraisers, and lenders to identify barriers and obstacles to success in energy efficient construction.

EarthCents Residential Home Energy Improvement: The residential EarthCents Home Energy Improvement Program promotes a comprehensive, whole-building approach to improving the energy efficiency and comfort of existing homes and includes multiple participation paths to appeal to a wide range of residential customers. The program provides financial incentives for implementing eligible energy efficiency measures. In addition to the financial incentives offered, the program includes customer education and awareness campaigns, and contractor partnerships and training.

Major activities and accomplishments during this reporting period include:

- Continued to provide support and training for approximately 101 program participating contractors who provide statewide coverage;
- Provided BPI Building Analyst training sessions in Savannah and Valdosta to enhance the contractor network in both the Coastal and South Regions;
- Provided training sessions for the Community Action Agencies in Atlanta, Warner Robins and Savannah; and
- Signed up 16 Community Action Agencies as program participating contractors.

EarthCents Residential Refrigerator Recycling Program: The Residential Refrigerator Recycling program aims to eliminate inefficient or extraneous refrigerators and freezers in an environmentally safe manner and produce cost-effective long-term energy and peak demand savings in the residential sector. The program focuses on increasing customer awareness of the economic and environmental costs associated with running inefficient, older appliances in a household, and provides eligible customers with free refrigerator and freezer pick-up services in addition to a cash incentive.

Major activities and accomplishments during this reporting period include:

- Implemented the new 2012 marketing plan which began January 1 and included:
- Increased marketing push for the program leveraged numerous channels at multiple times throughout the quarter;
- Added collection crews to support volume, increase available scheduling dates and maintain shorter wait times; and
- Began planning for an April 25th celebration to mark the opening of a new larger JACO recycling center capable of expanded southeast operations and to use this opportunity to gain further exposure and customer awareness of the Company's program.

EarthCents Residential Water Heating: The residential EarthCents Water Heating Program promotes energy efficient residential water heating practices, including the identification and installation of energy conservation measures in existing water heating systems, and customer education on the benefits of installing high efficiency water heating equipment. The program provides Georgia Power customers with the opportunity to have an audit conducted on their water heating system to identify energy savings opportunities. To maximize participation and promote energy efficient water heating, the program includes customer education, awareness campaigns, and information on financial incentives for water heating equipment available through Georgia Power's Home Energy Improvement Program.

Major activities and accomplishments during this reporting period include:

- Continued using residential Energy Audits as an opportunity to educate customers on efficient water heating applications; and
- Continued using residential Energy Audits as an opportunity to install water heater blankets free of charge to customers with electric water heaters.

EarthCents Power Credit Program: Georgia Power is in the process of converting its communication system from the low radio frequency single directional communication device to a higher radio frequency communication device that may be compatible with the AMI system at a later date. This conversion is anticipated to take approximately two years and during this conversion the potential demand reduction from Power Credit will have varying levels of availability.

Major activities and accomplishments during this reporting period include:

- 10,000 direct control unit (DCU) doors were shipped late 2011 and received by installation vendor through January 2012;
- Additional installation technicians have been hired or re-assigned to the project;
- Installation technicians were trained in February/March 2012 on the installation protocol for changing out the DCU doors;

- DCU doors are currently being installed with several hundred customers completed by first quarter-end;
- The program is not being actively promoted due to the focus on replacement and the volume that involves; and
- A small number of residual enrollments continue to occur.

EarthCents Commercial Energy Efficiency Programs

Commercial Custom Incentive Program: The Commercial Custom Incentive program provides a platform for comprehensive energy efficiency projects in facilities that go beyond single measures and common efficiency practices. The program does not define a specific list of eligible measures but bases participation on the verifiable energy savings resulting from the measures implemented. The program offering focuses on commercial facility lighting efficiency improvements and provides incentives based on the achievement of watts reduced with a cap of \$10,000 for qualifying facilities.

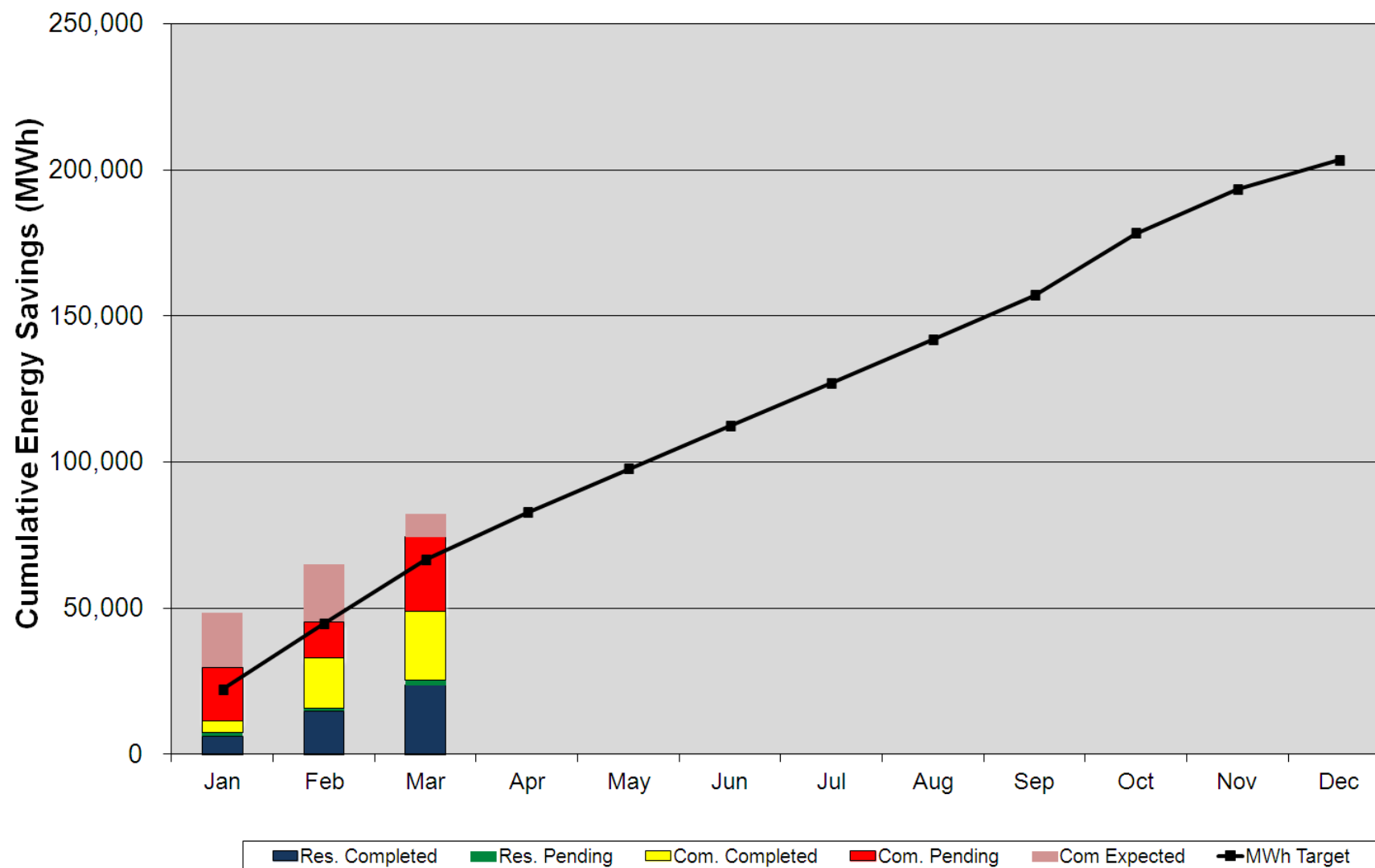
Commercial Prescriptive Incentive Program: The Commercial Prescriptive Incentive program promotes the purchase of eligible high-efficiency equipment installed at qualifying customer facilities. Rebates offered through this program serve to reduce the incremental cost to upgrade to high-efficiency equipment over standard efficiency options for Georgia Power's customers. The program includes equipment with easily calculated savings, provides straightforward and easy participation for customers. All Georgia Power commercial customers are eligible to participate.

These programs are being marketed as a single Commercial program with the customer having the option of choosing the Custom or Prescriptive track for achieving energy savings and the corresponding incentives associated with those savings.

Major activities and accomplishments during this reporting period include:

- Presented at Customer Forum meetings in Cartersville, Macon, Gainesville, Athens, Savannah, Augusta, Atlanta, and Smyrna;
- Hosted United States Green Building Council Lunch and Learn events in Athens, Savannah and Atlanta and a United States Green Building Council Green Scene Meeting in Augusta;
- Presented the program to Leadership Johns Creek Group;
- Provided Program Updates for Georgia Power employees in South Region and Central Region, Northwest Region, National Accounts, and Energy Services Team;
- Participated in Greenprints Conference at Georgia Tech;
- Conducted program overview and application training for CB Richard Ellis; and
- Promoted the program through the following marketing initiatives:
 - Website Updates to alert of 2011 project application deadline of 3/31/2012;
 - Posted customer testimonial video on website (Customer – South Ga Tech College);
 - Began filming and documenting additional customer testimonials;
 - Continued running Commercial Radio spots; and
 - Started New Commercial EarthCents TV spots.

2010 Certified DSM Programs



Certified DSM Programs - 1Q Performance Report 2012

		Residential Programs							Commercial Programs			Certified DSM Program Totals	
		Lighting & Appliances	Refrigerator Recycling	High Efficiency New Homes		Home Energy Improvement	Water Heating	Power Credit (3)	Portfolio Total	Custom Incentive	Prescriptive Incentive		Portfolio Total
				Multi	Single								
Current Quarter	Participants	271,456	1,561	-	197	1,933	274	(9)	275,412	280	389	669	276,081
	Energy Savings (kWh)	19,640,865	1,718,661	-	240,931	3,447,629	149,056	-	25,197,142	32,661,400	16,376,500	49,037,900	74,235,042
	Demand Savings (kW)	13,595	250	-	87	474	27	(18)	14,415	5,958	4,227	10,185	24,600
	Incentive Costs	\$ 663,424	\$ 35,145	\$ 56,100	\$ 588,792	\$ -	\$ 20	\$ 1,343,481	\$ 383,940	\$ 146,806	\$ 530,746	\$ 1,874,227	
	Non-Incentive Costs	\$ 289,742	\$ 211,523	\$ 94,345	\$ 416,920	\$ 115	\$ 366,669	\$ 1,379,314	\$ 317,029	\$ 93,892	\$ 410,921	\$ 1,790,235	
	Total Costs	\$ 953,166	\$ 246,668	\$ 150,445	\$ 1,005,712	\$ 115	\$ 366,689	\$ 2,722,795	\$ 700,969	\$ 240,698	\$ 941,667	\$ 3,664,462	
Year to Date	Participants	271,456	1,561	-	197	1,933	274	(9)	275,412	280	389	669	276,081
	Energy Savings (kWh)	19,640,865	1,718,661	-	240,931	3,447,629	149,056	-	25,197,142	32,661,400	16,376,500	49,037,900	74,235,042
	Demand Savings (kW)	13,595	250	-	87	474	27	(18)	14,415	5,958	4,227	10,185	24,600
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	Total Annual Budget (1) (2)	\$ 2,168,680	\$ 2,278,668	\$ 3,749,018	\$ 3,702,339	\$ 205,555	\$ 9,500,000	\$ 21,604,260	\$ 3,192,068	\$ 5,254,692	\$ 8,446,760	\$ 30,051,020	
Budget Variance	\$ (1,215,514)	\$ (2,032,000)	\$ (3,598,573)	\$ (2,696,627)	\$ (205,440)	\$ (9,133,311)	\$ (18,881,465)	\$ (2,491,099)	\$ (5,013,994)	\$ (7,505,093)	\$ (26,386,558)		
Program to Date	Participants	701,471	8,210	1,874	921	6,882	862	56,384	776,604	698	738	1,436	778,040
	Energy Savings (kWh)	49,996,321	9,039,210	1,499,200	1,126,383	11,692,448	468,776	-	73,822,338	98,119,600	32,697,471	130,817,071	204,639,409
	Demand Savings (kW)	28,276	1,294	731	408	981	84	110,512	142,286	19,732	9,487	29,219	171,505
	Incentive Costs	\$ 1,315,504	\$ 274,575	\$ 585,850	\$ 3,379,892	\$ -	\$ 1,433,336	\$ 6,989,157	\$ 1,801,006	\$ 433,440	\$ 2,234,446	\$ 9,223,603	
	Non-Incentive Costs	\$ 1,821,208	\$ 1,190,694	\$ 945,700	\$ 2,183,371	\$ 52,249	\$ 15,416,528	\$ 21,609,750	\$ 1,212,832	\$ 1,672,595	\$ 2,885,427	\$ 24,495,178	
	Total Costs	\$ 3,136,712	\$ 1,465,269	\$ 1,531,550	\$ 5,563,263	\$ 52,249	\$ 16,849,864	\$ 28,598,907	\$ 3,013,839	\$ 2,106,034	\$ 5,119,873	\$ 33,718,780	
	Total Program Budget	\$ 3,365,264	\$ 3,723,095	\$ 6,387,463	\$ 5,973,937	\$ 446,833	\$ 31,657,908	\$ 51,554,500	\$ 5,244,218	\$ 8,254,202	\$ 13,498,420	\$ 65,052,920	
Budget Variance	\$ (228,552)	\$ (2,257,826)	\$ (4,855,913)	\$ (410,674)	\$ (394,584)	\$ (14,808,044)	\$ (22,955,593)	\$ (2,230,379)	\$ (6,148,168)	\$ (8,378,547)	\$ (31,334,140)		

Notes:

- (1) Total Annual Budget represents the Commission approved program budgets and does not include movement of dollars between programs
- (2) Total Annual Budget does not include the \$900,000 cross cutting costs for training, reporting and management oversight
- (3) Active marketing of Power Credit is on hold while the Company changes out existing direct load control switch technology