

Georgia Power Company Certified Demand-Side Management Programs Fourth Quarter 2011 Status Report

In accordance with the Resolution of Outstanding Issues, signed June 30, 2010, included in the Supplemental Order of Docket No. 31082 for DSM Implementation Monitoring, Georgia Power Company (“Georgia Power” or the “Company”) provides this fourth quarterly report for activity through December 31, 2011.

REPORTING FORMAT

The report begins with an overview of each of the certified demand-side management (“DSM”) programs with marketing and training activities that have taken place during this fourth quarter. 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 Company’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, 2011, for the six month period ending on June 30, 2011. The first quarterly report will be filed no later than May 15, 2011, for the quarter ending on March 31, 2011 (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.

To assure infrastructure was in place for accepting and processing applications for rebate payments, the initial implementation of the two new commercial programs and the modified

residential existing programs was a soft customer offering starting January 1, 2011 with the expectation that activity levels will be low in first quarter and increasing in second quarter with the majority of the program participation occurring in the second half of the year. For the other four residential programs with previous pilot programs in place, the transition from pilot to full implementation was a continuation of activity already in place with the exception of expanding the refrigerator recycling program statewide.

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).

2010 CERTIFIED ENERGY EFFICIENCY PROGRAMS

Residential Programs

Residential EarthCents 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.

Beginning October 3, the EarthCents Lighting & Appliance Program began a pilot initiative offering a \$3 markdown on 4-Packs of CFL bulbs in select Costco and The Home Depot locations. Field program staff managed in-store pricing and marketing implementation at point of purchase. Program staff also provided energy efficiency education to associates and customers about the features and benefits of CFL bulbs.

The EarthCents Lighting & Appliance Program continued to offer rebates to Georgia Power customers purchasing ENERGY STAR refrigerators or select ENERGY STAR clothes washers. These rebates have the objective of reducing the cost barriers to Georgia Power customers who purchase efficient appliances. Program staff continued regular visits to enrolled appliance retailers throughout the state, ensuring that each store’s qualified appliances were fully merchandised, restocking rebate forms, and educating sales associates and customers about the rebate program, as well as the features and benefits of energy efficient clothes washers and refrigerators.

Throughout the fourth quarter, the Program continued to collect pledge cards for the Change the World campaign. Pledges were collected at 132 local offices during Customer Service Appreciation Week which coincides with National Change a Light Day. Additionally pledges were collected at 25 community events by GPC hosts. Local Office visitors or event attendees were each given one CFL bulb in return for their completed pledge.

Major activities and accomplishments during this reporting period include:

- Conducted 1,232 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 11 in-store promotions at The Home Depot locations around the state, where field representatives set up a promotional table and engaged visiting customers in conversations about energy efficiency and the options available to Georgia Power customers under the EarthCents suite of programs. The marked down CFL packs were highlighted on each table;
- Conducted 261 Lighting Associate Trainings;
- Conducted 955 Appliance Associate Trainings;
- Conducted 393 Lighting Customer Trainings;
- Conducted 178 Appliance Customer Trainings;
- Enrolled five Costco locations in the CFL markdown;
- Enrolled 48 The Home Depot locations in the CFL markdown;
- In the last two weeks of December, began removing all 2011 appliance rebate merchandising from the sales floors of all participating retailers and replacing with new 2012 merchandising materials while preparing retail associates for the changes coming with the 2012 program;
- Updated Georgia Power website to reflect changes to 2012 Appliance Rebate Program; and
- The 2012 EarthCents Appliance Program changes follow:

Appliance	2011 Incentive	2012 Incentive
Clothes Washer	\$75	\$50
Refrigerator	\$30	\$25
Freezers	Not Offered	\$20
Room HVAC	Not Offered	\$25

Residential EarthCents 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 for 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 2011 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:

- Continued to engage builders in the EarthCents New Home program statewide through individual meetings as well as Home Builders Association (HBA) functions;
- Continued to engage all top production builders on the benefits of energy efficient EarthCents New Home construction;
- Launched the Fall New Market Consumer Awareness Campaign utilizing EarthCents New Home Program Billboards statewide along with promoting the program through online advertising and consumer periodicals;
- Sponsored the 50+ Housing Council University promoting Energy Efficient New Homes through the EarthCents New Home Program;
- Participated and sponsored a booth at the Sunbelt Exposition promoting the EarthCents New Home Program to attendees;
- Conducted statewide EarthCents New Home Program Information Meetings for Raters (Savannah, Tifton, and Atlanta);
- Agreed to be primary 2012 sponsor of Fox 5's "Atlanta Best New Homes" Program promoting EarthCents New Home Program to consumers and builders;
- Presented to Madison Rotary on all Georgia Power Energy Efficiency Programs including the EarthCents New Home Program;
- Presented to HBA of Midwest Georgia on energy efficiency construction practices including an overview of the EarthCents New Home Program; and
- Produced three training modules for Georgia Power marketing employees that were delivered to builders for continuing education credits. The modules included *Basic Building Science*, *The Thermal Envelope*, and *HVAC Systems*. Each module included the topic material along with the EarthCents program overview.

Residential EarthCents 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 incorporates program elements of the proposed federal Home Star Energy Efficiency Retrofit Program and 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 79 program participating contractors who provide statewide coverage;
- Participated in meetings with representatives from the Atlanta SHINE and DecaturWISE programs to discuss program updates and best practices;
- Presented program at the Sunbelt Expo held in Moultrie, GA;
- Presented program at the DeKalb County Green Expo held in Decatur, GA;
- Presented program at the Beltline Holiday Open House Event in Atlanta, GA;
- Mailed bill insert to over 110,500 single family homeowners in October;
- Provided Multi-family Assessor Training for Non-Metro Contractors;

- Mailed letter with program rebate information to over 7,100 multi-family property owners in November; and
- Developed third party rebate waiver process for Community Action Agencies.

Residential EarthCents Refrigerator Recycling: The residential EarthCents 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:

- Continued statewide implementation with Program offering to all Georgia Power residential customers;
- Established and attended December Refrigerator Recycling Program 2012 planning summit including Georgia Power and its implementation contractor team;
- Program management tour of new JACO Environmental recycling facility in Tucker, GA; and
- Developed and implemented marketing elements which included:
 - October: Tweet, Facebook Announcement, Take One Tear Pads, Retail Flyers, Pandora digital ads, Yahoo web banners, cross retail promotions with Appliance Rebate Program; Newspaper: Augusta Chronicle, Columbus Ledger-Enquirer, Macon Telegraph, Savannah Morning News; 30-second Braves Radio Network spot running on bonus weeks during three key series;
 - November: Tweet, Facebook Announcement, Take One Tear Pads, cross retail promotions with Appliance Rebate Program, 2 Atlanta Journal Constitution ¼ page ads; press release with “fall cleanup” strategy; and
 - December: Tweet, Facebook Announcement, Take One Tear Pads, cross retail promotions with Appliance Rebate Program.

Residential EarthCents 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 a professional 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 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 initial program offering focuses on commercial facility lighting efficiency improvements and provides incentives based on the achievement of watts reduced with caps of \$5,000 for tax paying customers and \$10,000 for non-tax paying customers. Caps are differentiated due to the opportunity of tax paying customers being eligible for additional state and federal tax incentives.

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:

- Held Customer Forum meetings in Milledgeville, Perry, Macon (American Institute of Architects - Central Georgia Chapter);
- Hosted a seminar for K-12 customers in Atlanta, and for Private Colleges in October;
- Presented the program to the Savannah Business Forum and to the Atlanta Regional Commission;
- Participated in the United States Green Building Council -Georgia High Performance, Healthy Schools Conference, and served on a panel for ways to fund energy efficiency projects;
- Participated in the Georgia School Boards Association annual conference;
- Provided Program Updates for Georgia Power employees in West Region and Northwest Region; and
- Promoted the program through the following marketing initiatives:
 - Added Trade Ally Training voice over module to the website;
 - Sent 2,700 Direct Mail pieces to small business customers promoting the Commercial Program;
 - Had Business to Business placement ads in multiple trade publications;

- Launched online banner ads; and
- Continued running Commercial Radio spots.

PREVIOUSLY CERTIFIED DSM PROGRAMS

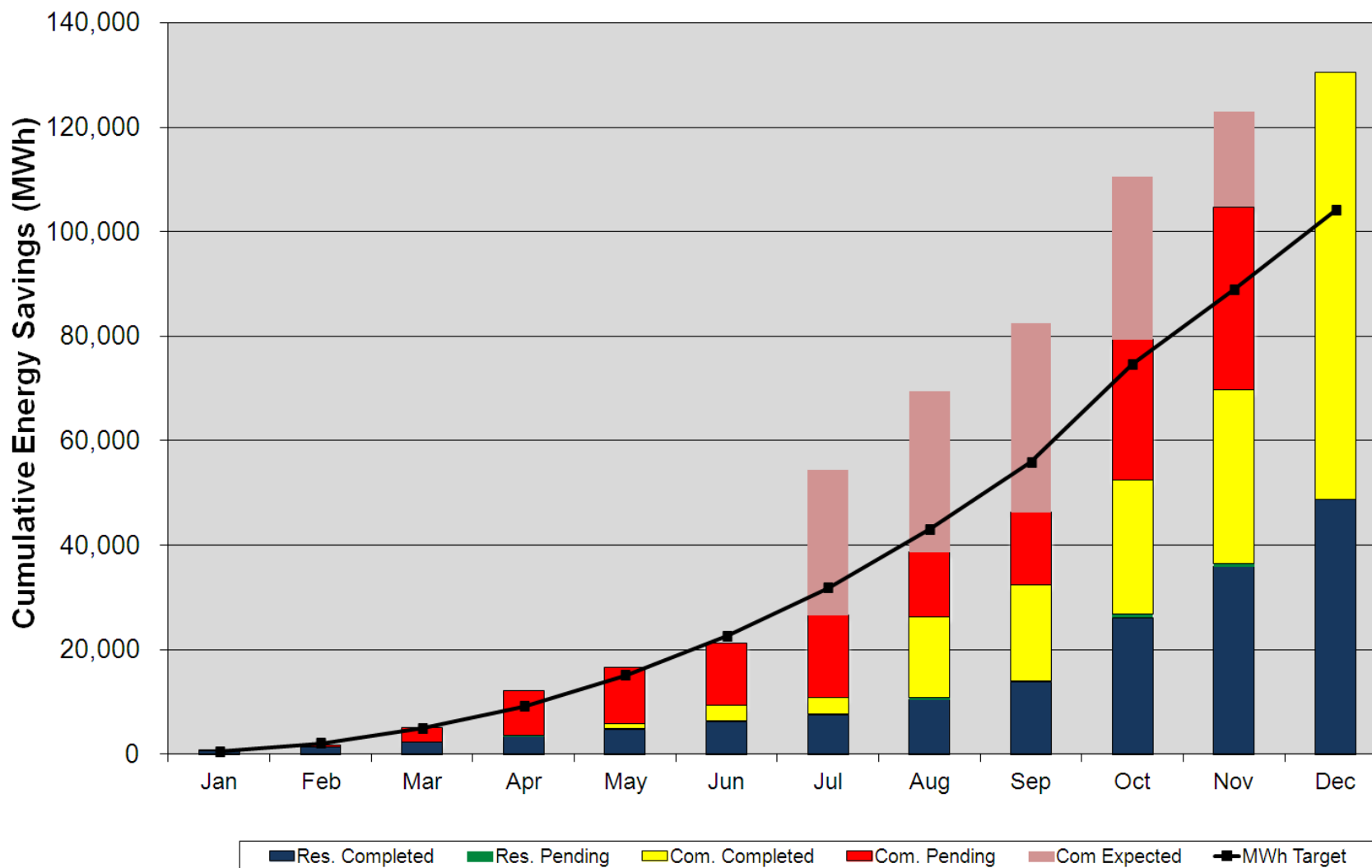
EarthCents Power Credit Program

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. This conversion is anticipated to take approximately three years and during this conversion the potential demand reduction from Power Credit will have varying levels of availability. Contract negotiations were concluded late in the fourth quarter. Replacement switches were ordered and began arriving in late December. Current customer change out to the new system will begin in January and be completed over the course of two to three years. New orders of switches will continue as needed during this time.

Major activities and accomplishments during this reporting period include:

- Due to the ongoing change in communication technology for Power Credit equipment, the program is not actively being promoted;
- Switches were ordered and received late 2011 after completion and execution of a contract; and
- A small number of residual enrollments continue to occur.

2010 Certified DSM Programs



2010 Certified DSM Programs - 4Q Performance Report

		Residential Programs							Commercial Programs			Certified DSM Program Totals
		Lighting & Appliances	Refrigerator Recycling	High Efficiency New Homes	Home Energy Improvement	Water Heating	Power Credit (3)(4)	Portfolio Total	Custom Incentive	Prescriptive Incentive	Portfolio Total	
Current Quarter	Participants	394,829	1,523	961	1,879	149	14	399,355	252	222	474	399,829
	Energy Savings (kWh)	26,052,452	1,676,823	859,745	6,000,992	81,056	-	34,671,068	41,120,196	8,400,534	49,520,730	84,191,798
	Demand Savings (kW)	13,473	239	386	131	14	27	14,270	8,510	2,252	10,762	25,032
	Incentive Costs	\$ 652,080	\$ 57,715	\$ 223,900	\$ 1,256,499	\$ -	\$ 400	\$ 2,190,594	\$ 986,189	\$ 183,223	\$ 1,169,412	\$ 3,360,006
	Non-Incentive Costs	\$ 751,975	\$ 309,212	\$ 544,890	\$ 555,746	\$ 24,731	\$ 896,348	\$ 3,082,902	\$ 465,889	\$ 738,687	\$ 1,204,576	\$ 4,287,478
	Total Costs	\$ 1,404,055	\$ 366,927	\$ 768,790	\$ 1,812,246	\$ 24,731	\$ 896,748	\$ 5,273,496	\$ 1,452,078	\$ 921,910	\$ 2,373,988	\$ 7,647,484
Year to Date	Participants	430,015	6,649	2,598	4,949	588	343	445,142	418	349	767	445,909
	Energy Savings (kWh)	30,355,456	7,320,549	2,384,652	8,244,819	319,720	-	48,625,196	65,458,200	16,320,971	81,779,171	130,404,367
	Demand Savings (kW)	14,681	1,044	1,052	507	57	672	18,013	13,774	5,260	19,034	37,047
	Incentive Costs	\$ 652,080	\$ 239,430	\$ 529,750	\$ 2,791,100	\$ -	\$ 11,260	\$ 4,223,620	\$ 1,417,066	\$ 286,634	\$ 1,703,700	\$ 5,927,320
	Non-Incentive Costs	\$ 1,531,466	\$ 979,171	\$ 851,355	\$ 1,766,451	\$ 52,134	\$ 1,198,718	\$ 6,379,294	\$ 895,803	\$ 1,578,703	\$ 2,474,506	\$ 8,853,800
	Total Costs	\$ 2,183,546	\$ 1,218,601	\$ 1,381,105	\$ 4,557,551	\$ 52,134	\$ 1,209,978	\$ 10,602,914	\$ 2,312,870	\$ 1,865,336	\$ 4,178,206	\$ 14,781,120
	Total Annual Budget (1) (2)	\$ 1,196,584	\$ 1,444,427	\$ 2,638,445	\$ 2,271,598	\$ 241,278	\$ 2,000,000	\$ 9,792,332	\$ 2,052,150	\$ 2,999,510	\$ 5,051,660	\$ 14,843,992
	Budget Variance	\$ 986,962	\$ (225,826)	\$ (1,257,340)	\$ 2,285,953	\$ (189,144)	\$ (790,022)	\$ 810,582	\$ 260,720	\$ (1,134,174)	\$ (873,454)	\$ (62,872)
Program to Date	Participants	430,015	6,649	2,598	4,949	588	56,393	501,192	418	349	767	501,959
	Energy Savings (kWh)	30,355,456	7,320,549	2,384,652	8,244,819	319,720	-	48,625,196	65,458,200	16,320,971	81,779,171	130,404,367
	Demand Savings (kW)	14,681	1,044	1,052	507	57	110,530	127,871	13,774	5,260	19,034	146,905
	Incentive Costs	\$ 652,080	\$ 239,430	\$ 529,750	\$ 2,791,100	\$ -	\$ 1,433,316	\$ 5,645,676	\$ 1,417,066	\$ 286,634	\$ 1,703,700	\$ 7,349,376
	Non-Incentive Costs	\$ 1,531,466	\$ 979,171	\$ 851,355	\$ 1,766,451	\$ 52,134	\$ 15,049,859	\$ 20,230,436	\$ 895,803	\$ 1,578,703	\$ 2,474,506	\$ 22,704,942
	Total Costs	\$ 2,183,546	\$ 1,218,601	\$ 1,381,105	\$ 4,557,551	\$ 52,134	\$ 16,483,175	\$ 25,876,112	\$ 2,312,870	\$ 1,865,336	\$ 4,178,206	\$ 30,054,318
	Total Program Budget	\$ 1,196,584	\$ 1,444,427	\$ 2,638,445	\$ 2,271,598	\$ 241,278	\$ 22,157,908	\$ 29,950,240	\$ 2,052,150	\$ 2,999,510	\$ 5,051,660	\$ 35,001,900
	Budget Variance	\$ 986,962	\$ (225,826)	\$ (1,257,340)	\$ 2,285,953	\$ (189,144)	\$ (5,674,733)	\$ (4,074,128)	\$ 260,720	\$ (1,134,174)	\$ (873,454)	\$ (4,947,582)

Notes:

- (1) Total Annual Budget represents the Commission approved program operational 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
- (4) Power Credit Program to Date budget adjusted by \$138,899 (2010 November & December monthly cost) to correct a reporting time lag.