

Georgia Power Company Certified Demand-Side Management Programs Second 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 second quarterly report for activity through June 30, 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 second 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 savings¹ 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.

¹ Power Credit kW savings at the meter, all other kW savings are based on approved filing data which represents kW at the generator.

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 statewide residential existing program 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 Lighting & Appliance: The Residential 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, and promotional distribution of compact fluorescent lamps (“CFLs”), and new appliance rebates. The program offers rebates on select ENERGY STAR qualified clothes washers and all ENERGY STAR qualified refrigerators to all Georgia Power residential customers. This program began with a soft launch on June 1 (hard launch began July 11) and will run through December 31, 2011. The appliance rebates focuses on lowering the Georgia Power customer’s energy usage through the purchase of energy efficient appliances. The appliance rebates are offered to all appliance retailers throughout the state of Georgia. The Residential Lighting & Appliance Program also builds on the tools and trade ally networks of both Georgia Power and the federal ENERGY STAR program.

Major activities and accomplishments during this reporting period include:

- Development and June 1 implementation of new appliance rebates;
- Conducted 604 retail site visits, merchandising and labeling ENERGY STAR qualified lighting and appliances and speaking with sales associates as well as customers about the Georgia Power Residential Lighting & Appliance program;
- Enrolled 283 new retail locations to participate in the appliance rebates;
- Conducted 73 lighting associate trainings;
- Conducted 727 appliance associate trainings;
- Conducted 132 lighting customer trainings;
- Conducted 55 appliance customer trainings;
- Held 7 in-store events at Home Depot stores to promote the Residential Lighting & Appliance program, features and benefits of ENERGY STAR products as well as other energy efficient products; and

- Submitted more than 7,600 pledges to the EPA's "Change the World" campaign.

Residential High Efficiency New Homes: The Residential High Efficiency 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:

- Spoke at Metro New Market Housing Summit for Realtors promoting energy efficient construction. 100 Attendees;
- Continuing to promote program and energy efficient construction through Home Builders Association publications and websites;
- Continuing to promote program with national/production builders with face to face meetings; and
- Continuing to develop the EarthCents New Home program and initiating internal information meetings in preparation for external roll out scheduled in late summer/early fall.

Residential Existing Homes (Home Energy Improvement): The residential existing home program (Home Energy Improvement) 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:

- Through the second quarter we have signed up a total contractor count of 75 which provides statewide coverage for current customer demand;
- Presented program details to twenty-five HVAC dealers at a CAAG Meeting in Pooler, Georgia in Coastal Region;
- Did a soft launch of the multifamily program;
- Introduced the multifamily program to Georgia Power associates in Coastal Region;
- Met with Georgia Power associates in every region making them aware of program goals and specifics so they can assist our marketing efforts;
- Completed BPI Training in Macon, Georgia that trained 11 new BPI Building Analysts;

- Established preliminary plans for marketing efforts with national partners like GE and The Home Depot;
- Participated in Earth Day festivals in Atlanta and Savannah; and
- Conducted lunch and learns to recruit contractors in East, Central, South, and Northeast Regions.

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:

- Continued statewide implementation with Program offering to all Georgia Power residential customers;
- Developed and implemented new Program graphics, refreshing the look used for the first three years of the program. The image moves from the alphabet refrigerator magnets to an image of an aging second refrigerator located in a residential garage;
- Developed and implemented marketing elements which included:
 - April marketing - VRU, Bill Insert, Home Page Tile Ad, Take One Tear Pads, Residential Home Page Tile Ad, Tweet, Facebook, Announcement, Care Center's Voice Response Unit (VRU), Web, and Truck Wrap;
 - May marketing - Bill Message, Web, E-Bill Tile Ad, Tweet, Facebook Announcement, Take One Tear Pads, Truck Wrap; and
 - June marketing - Web, Electric Living (bullet), Take One Tear Pads, Truck Wrap.

Residential Water Heating: The Residential 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.

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:

- Conducted customer Commercial Energy Efficiency Program forums in Augusta and Savannah;
- Conducted customer Commercial Energy Efficiency Program presentations for Atlanta Public Schools, Marriott Engineering Business Council, and Emory University;
- Conducted customer Commercial Energy Efficiency Program presentations for Georgia Energy Services Coalition, American Institute of Architects-Coastal Chapter, Construction Industry Assoc., Georgia Restaurant Assoc., Mingledorff's, Georgia Interfaith Power & Light, and Southface Grants to Green Foundation;
- Conducted Trade Ally Training in Columbus, Augusta, Athens and Rome with 34 registered Trade Allies statewide;
- Continued training programs for Georgia Power employees; and
- Promoted the Commercial Energy Efficiency Program at conferences for the Association for Energy Services Professionals, Georgia Association of Physical Plant Administrators, and the Georgia Engineering Alliance.

Power Credit Program (Certified prior to 2010)

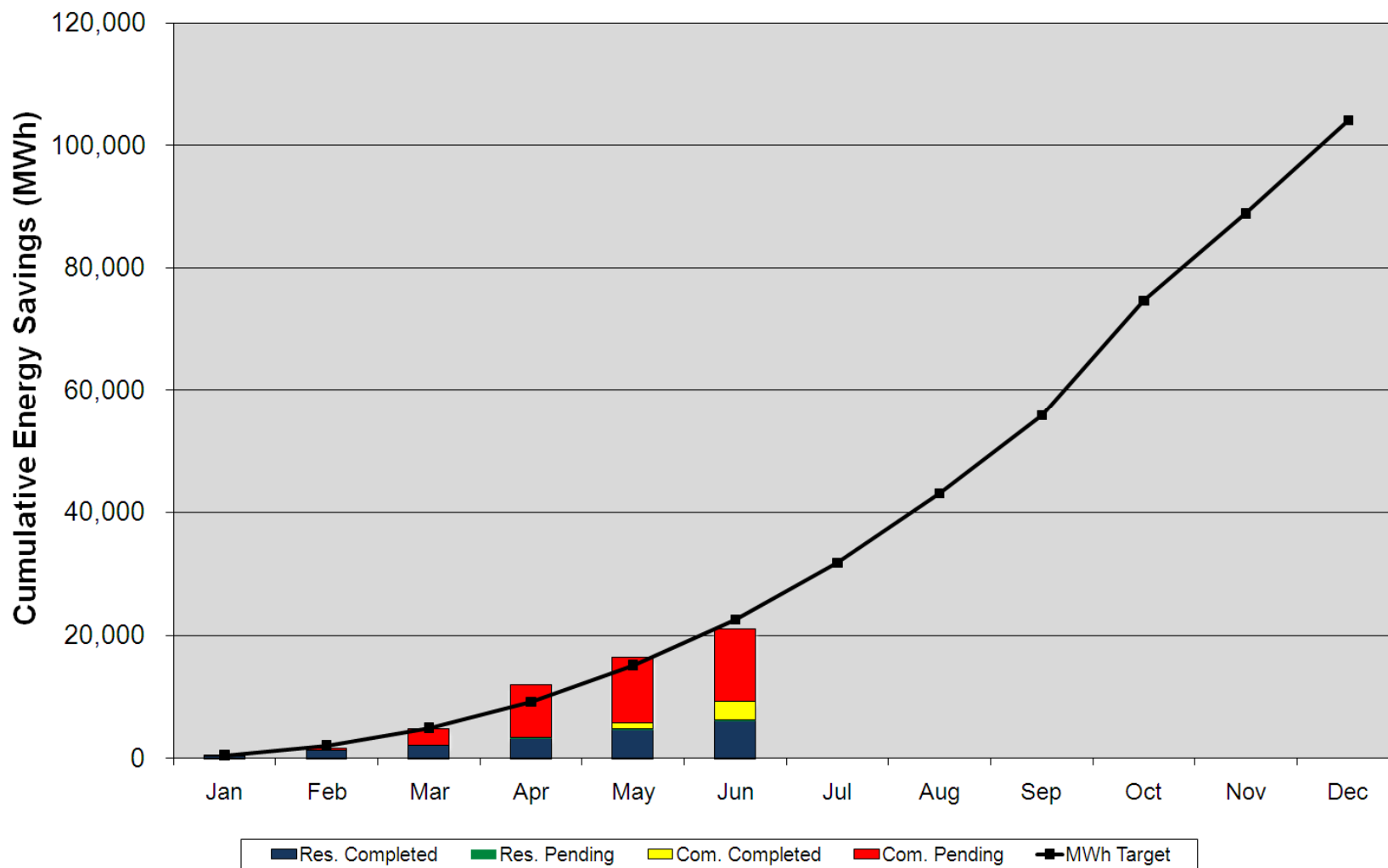
Georgia Power is in the process of converting its communication system from the low radio frequency single directional communication device to a higher radio frequency communication

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 for new equipment are well underway and should be concluded in the near future.

Major activities and accomplishments during this reporting period include:

- Due to the forthcoming change in communication technology for Power Credit equipment, the program is not actively being promoted; and
- A small number of residual enrollments continue to occur as shown in the results section of this report.

2010 Certified DSM Programs



Georgia Power Company Certified DSM Programs

Program	Current Quarter						Year-To-Date						Program-To-Date					
	Program Impacts			Program Costs			Program Impacts			Program Costs			Program Impacts			Program Costs		
	Participants	Energy Savings (kWh)	Demand Savings (kW)	Incentive Costs	Non-Incentive Costs	Total Costs	Participants	Energy Savings (kWh)	Demand Savings (kW)	Incentive Costs	Non-Incentive Costs	Total Costs	Participants	Energy Savings (kWh)	Demand Savings (kW)	Incentive Costs	Non-Incentive Costs	Total Costs
Residential Lighting & Appliances	14,453	886,546	392	\$ -	\$ 140,494	\$ 140,494	21,443	1,257,016	602	\$ -	\$ 208,652	\$ 208,652	21,443	1,257,016	602	\$ -	\$ 208,652	\$ 208,652
Residential Refrigerator/Freezer Recycling	2,177	2,396,877	348	\$ 67,795	\$ 261,549	\$ 329,344	3,188	3,509,988	510	\$ 112,135	\$ 330,796	\$ 442,931	3,188	3,509,988	510	\$ 112,135	\$ 330,796	\$ 442,931
Residential High Efficiency New Homes	511	475,211	207	\$ 31,800	\$ 66,893	\$ 98,693	1,003	948,758	408	\$ 145,650	\$ 126,204	\$ 271,854	1,003	948,758	408	\$ 145,650	\$ 126,204	\$ 271,854
Residential Home Energy Improvement	425	315,302	22	\$ 166,597	\$ 558,749	\$ 725,346	682	468,910	40	\$ 222,305	\$ 778,071	\$ 1,000,376	682	468,910	40	\$ 222,305	\$ 778,071	\$ 1,000,376
Residential Water Heating	52	28,288	5	\$ -	\$ 17	\$ 17	238	129,472	24	\$ -	\$ 166	\$ 166	238	129,472	24	\$ -	\$ 166	\$ 166
Residential Power Credit (1)	10	-	20	\$ 4,560	\$ 86,217	\$ 90,777	395	-	774	\$ 10,820	\$ 167,217	\$ 178,037	56,455	-	110,652	\$ 1,596,801	\$ 15,363,030	\$ 16,959,831
Residential Portfolio Total	17,628	4,102,224	994	\$ 270,752	\$ 1,113,919	\$ 1,384,671	26,949	6,314,144	2,358	\$ 490,910	\$ 1,611,106	\$ 2,102,016	83,009	6,314,144	112,236	\$ 2,076,891	\$ 16,806,919	\$ 18,883,810
Commercial Custom Incentive	17	1,451,932	453	\$ 83,419	\$ 182,031	\$ 265,450	17	1,451,932	453	\$ 83,419	\$ 229,899	\$ 313,318	17	1,451,932	453	\$ 83,419	\$ 229,899	\$ 313,318
Commercial Prescriptive Incentive	23	1,580,432	694	\$ 17,161	\$ 345,575	\$ 362,736	23	1,580,432	694	\$ 17,161	\$ 437,758	\$ 454,919	23	1,580,432	694	\$ 17,161	\$ 437,758	\$ 454,919
Commercial Portfolio Total	40	3,032,364	1,147	\$ 100,580	\$ 527,606	\$ 628,186	40	3,032,364	1,147	\$ 100,580	\$ 667,657	\$ 768,237	40	3,032,364	1,147	\$ 100,580	\$ 667,657	\$ 768,237
Certified DSM Program Totals	17,668	7,134,588	2,141	\$ 371,332	\$ 1,641,525	\$ 2,012,857	26,989	9,346,508	3,505	\$ 591,490	\$ 2,278,763	\$ 2,870,253	83,049	9,346,508	113,383	\$ 2,177,471	\$ 17,474,576	\$ 19,652,047
* Pending Custom Jobs (2)	63	7,936,161	1,242	\$ -	\$ -	\$ -	77	9,396,255	1,826	\$ -	\$ -	\$ -	77	9,396,255	1,826	\$ -	\$ -	\$ -
* Pending Prescriptive Jobs (2)	20	1,093,440	499	\$ -	\$ -	\$ -	52	2,401,792	1,484	\$ -	\$ -	\$ -	52	2,401,792	1,484	\$ -	\$ -	\$ -
* Total Pending Commercial Jobs (2)	83	9,029,601	1,741	\$ -	\$ -	\$ -	129	11,798,047	3,310	\$ -	\$ -	\$ -	129	11,798,047	3,310	\$ -	\$ -	\$ -
*Program Totals Including Pending Jobs	17,751	16,164,189	3,882	\$ 371,332	\$ 1,641,525	\$ 2,012,857	27,118	21,144,555	6,815	\$ 591,490	\$ 2,278,763	\$ 2,870,253	83,178	21,144,555	116,693	\$ 2,177,471	\$ 17,474,576	\$ 19,652,047

(1) Power Credit kW savings at the meter, all other kW savings are based on approved filing data which represents kW at the generator.
(2) Pending represents applications received and in the process of being paid