

## Georgia Power Company Certified Demand-Side Management Programs Third 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 third quarterly report for activity through September 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 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 Lighting & Appliance:** The 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, and promotional distribution of compact fluorescent lamps (“CFLs”), and new appliance rebates. In addition, the EarthCents Lighting Program will initiate markdowns on 4-Packs of CFLs in select Costco and The Home Depot locations on October 3rd, lowering the price of CFLs for customers in Georgia Power’s area of service. Field representatives will begin to visit and place POP in those stores as well as engage with customers and retail personnel in a discussion about the features and benefits of CFL bulbs.

The EarthCents Appliance Rebate 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 focus on lowering the Georgia Power customer’s energy usage through the purchase of energy efficient appliances. The appliance rebate forms and point of purchase materials are offered to all appliance retailers throughout the state of Georgia. The EarthCents 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:***

### **Major Activities and Accomplishments during this reporting period include:**

- Development of the EarthCents Lighting Incentive option;
  - Memorandums of Understanding signed by Costco/Feit and The Home Depot/TCP; and
  - Point-of-Purchase (POP) designed, approved and printed
- Identified 5 Costco and 48 The Home Depot locations to participate in the CFL markdowns;

- Conducted 1,298 retail site visits, merchandising and labeling select ENERGY STAR qualified appliances and speaking with sales associates as well as customers about the Georgia Power EarthCents Appliance Rebate option;
- Enrolled a total of 352 retailers to participate in the appliance rebate option;
- Conducted 13 Lighting Associate Trainings;
- Conducted 1,732 Appliance Associate Trainings;
- Conducted 16 Lighting Customer Trainings;
- Conducted 282 Appliance Customer Trainings;
- Held two in-store events at The Home Depot and Lowe's to promote the EarthCents Lighting option; and
- Submitted 4,170 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:***

- Officially rolled out the EarthCents brand for the energy efficiency programs to Region Employees in July and externally to Builders and other stakeholders in August, 2011;
- Contacted all current active HERs Raters that are participating in the High Efficiency New Home Program to inform/update them of the EarthCents requirements;
- Engaged all of the top production builders with face to face meetings updating them on EarthCents New Home program;
- Promoted EarthCents at the Atlanta Board of Realtors Home Show;
- Attended the Georgia Association of Realtors Convention engaging and promoting the EarthCents Program with Real Estate Agents across the State of Georgia; and
- Promoting the program through the local HBA Associations.

**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:***

- Participated in meetings with representatives from the Atlanta SHINE and DecaturWISE programs to discuss best practices and ways to streamline our processes;
- Presented program at Georgia Realtors Continuing Education event and discussed how other programs such as Atlanta's SHINE and FHA Green Loans could benefit customers;
- Program was presented in conjunction with the Atlanta SHINE program at the Atlanta Home Show held at Cobb Galleria;
- Continued to provide support and training for approximately 75 contractors who provide statewide coverage for the program;
- Held training on Individual Improvements in Warner Robbins, GA for over 40 insulation contractors from the middle Georgia area and have maintained relationships with them;
- Met with Middle Georgia Association of Realtors to introduce the program to 127 realtors and Housing Authority representatives;
- Presented program to 60 representatives at a Columbus Chamber of Commerce event;
- Presented program to Multifamily owners, Housing Authority representatives and trade contractors at a Lunch and Learn held in Athens, Georgia;
- Presented program to 12 HVAC contractors in Dublin, Georgia;
- Met with Savannah Housing Authority to discuss the program and expect to work together on several weatherization projects;
- Met with Savannah Economic Authority to discuss how the program can help with their weatherization program;
- Program was presented on Southeasterngreen.com's green radio show to an audience of over 500; and
- Presented program to over 200 employees of Munich RE's sustainability conference.

**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;
- Relocated recycling operations to a larger facility. Located at 4538 Hugh Howell Rd, Tucker, GA 30084; and
- Developed and implemented marketing elements which included:
  - September marketing - Home Page Tile Ad, Take One Tear Pads, Residential Home Page Tile Ad, Tweet, Facebook, Announcement, Web, and Truck Wrap, Newspaper

- Advertising (1/4 page-B/W) run in Augusta Chronicle, Columbus Ledger-Enquirer, Macon Telegraph, Savannah Morning News, Pay per click, Yahoo web banner, Pandora;
- August marketing - Bill Insert, Web, Tweet, Facebook Announcement, Take One Tear Pads, Truck Wrap;
  - July marketing - Bill Message, Web, E-Bill Tile Ad, Tweet, Facebook Announcement, Take One Tear Pads, Truck Wrap, Electric Living.

**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:***

- Completed in-person training for contractors in Georgia as part of a Trade Ally Training session held in South Region. Future training will be available on the Commercial program webpage in October;
- Worked with Decatur representatives to help develop the DecaturWISE Commercial program for customers in the City of Decatur;
- Presented the Commercial EE Program to the YWCA-GA Board of Directors;
- Assisted Key Account Managers with presentations to Memorial Health Center in Savannah, and representatives of the Dept. of Aviation and City of Atlanta at the Atlanta Airport;
- Worked with South Georgia Technical College and Greenfield Hebrew Academy on photographs of installed measures to be used in promotional efforts;
- Produced a 2 sided, 1-page promotional piece directed at customers;
- Held 2 meetings with 15 Board of Regents customers to discuss program measures and assist with the application process; and
- Gave Commercial Program update sessions to internal GPC teams in East Region, Central Region, Metro Key Accounts Teams, and Metro Sales Teams.

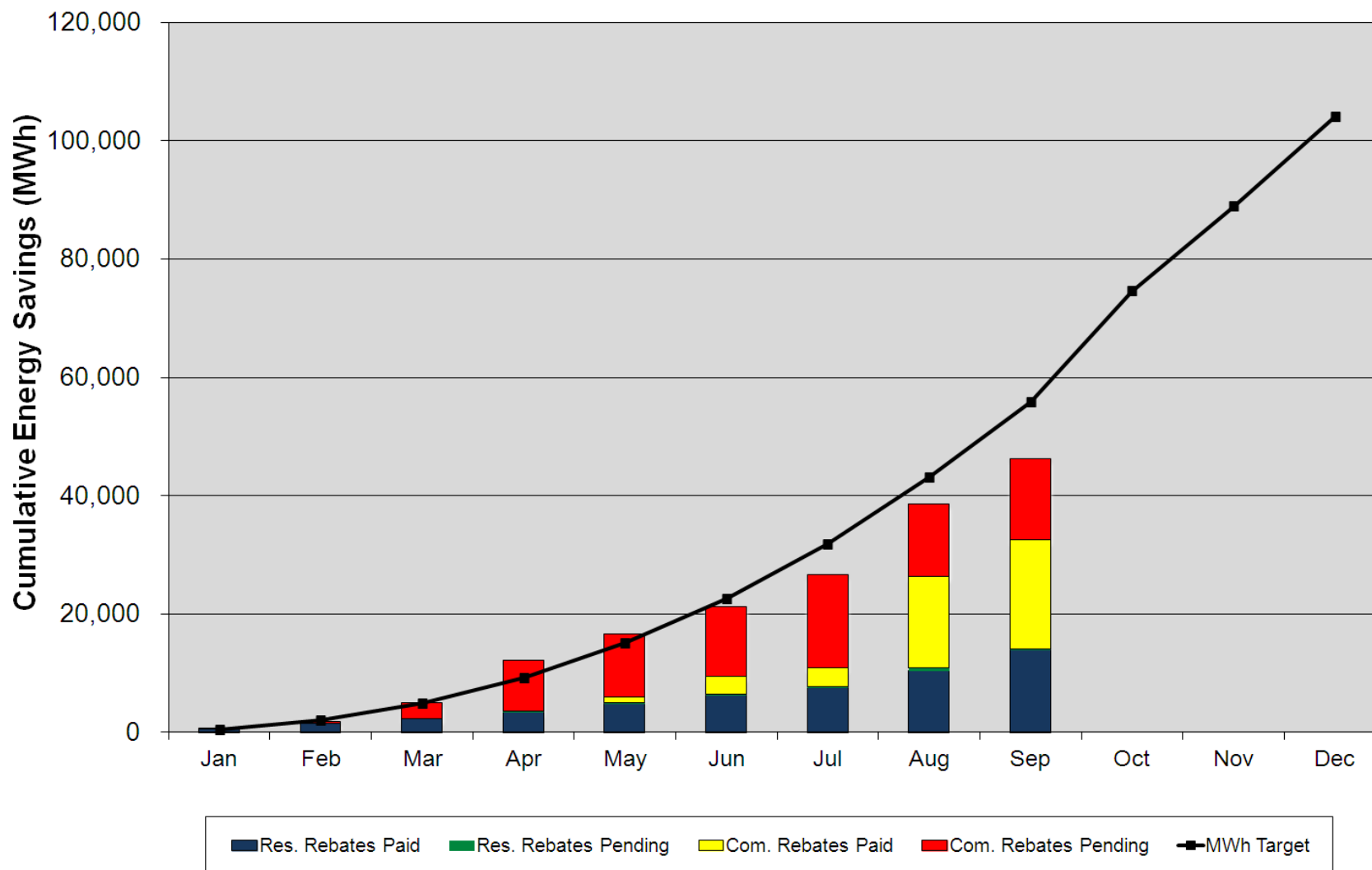
**Power Credit Program (Certified prior to 2010)**

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. Replacement switches have been ordered and will arrive in November for switch conversions.

***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; and
- A small number of residual enrollments continue to occur.

## 2010 Certified DSM Programs



## 2010 Certified DSM Programs - 3Q 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)	Portfolio Total	Custom Incentive	Prescriptive Incentive	Portfolio Total	
Current Quarter	Participants	13,743	1,938	634	2,388	201	(76)	18,828	59	52	124	18,952
	Energy Savings (kWh)	3,045,988	2,133,738	576,149	1,774,917	109,192	-	7,639,984	13,489,817	3,938,213	17,428,030	25,068,014
	Demand Savings (kW)	606	295	257	337	19	(146)	1,368	2,985	830	3,815	5,183
	Incentive Costs	\$ 146,265	\$ 69,580	\$ 160,200	\$ 1,312,296	\$ -	\$ 40	\$ 1,688,381	\$ 347,459	\$ 86,250	\$ 433,709	\$ 2,122,090
	Non-Incentive Costs	\$ 424,574	\$ 339,163	\$ 180,261	\$ 432,633	\$ 27,237	\$ 135,153	\$ 1,539,021	\$ 200,015	\$ 402,257	\$ 602,272	\$ 2,141,293
	Total Costs	\$ 570,839	\$ 408,743	\$ 340,461	\$ 1,744,929	\$ 27,237	\$ 135,193	\$ 3,227,402	\$ 547,474	\$ 488,507	\$ 1,035,981	\$ 4,263,383
Year to Date	Participants	35,186	5,126	1,637	3,070	439	329	45,787	166	127	293	46,080
	Energy Savings (kWh)	4,303,004	5,643,726	1,524,907	2,243,827	238,664	-	13,954,128	24,338,004	7,920,437	32,258,441	46,212,569
	Demand Savings (kW)	1,208	805	666	377	43	645	3,744	5,264	3,008	8,272	12,016
	Incentive Costs	\$ 146,265	\$ 181,715	\$ 305,850	\$ 1,534,600	\$ -	\$ 10,860	\$ 2,179,290	\$ 430,878	\$103,411	\$534,289	\$ 2,713,579
	Non-Incentive Costs	\$ 633,226	\$ 669,959	\$ 306,465	\$ 1,210,705	\$ 27,403	\$ 302,371	\$ 3,150,129	\$ 429,914	\$840,015	\$1,269,929	\$ 4,420,058
	Total Costs	\$ 779,491	\$ 851,674	\$ 612,315	\$ 2,745,305	\$ 27,403	\$ 313,231	\$ 5,329,419	\$ 860,792	\$943,426	\$1,804,218	\$ 7,133,637
	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	\$ (417,093)	\$ (592,753)	\$ (2,026,130)	\$ 473,707	\$ (213,875)	\$ (1,686,769)	\$ (4,462,913)	\$ (1,191,358)	\$ (2,056,084)	\$ (3,247,442)	\$ (7,710,355)
Program to Date	Participants	35,186	5,126	1,637	3,070	439	56,379	101,837	166	127	293	102,130
	Energy Savings (kWh)	4,303,004	5,643,726	1,524,907	2,243,827	238,664	-	13,954,128	24,338,004	7,920,437	32,258,441	46,212,569
	Demand Savings (kW)	1,208	805	666	377	43	110,506	113,605	5,264	3,008	8,272	121,877
	Incentive Costs	\$ 146,265	\$ 181,715	\$ 305,850	\$ 1,534,600	\$ -	\$ 1,432,916	\$ 3,601,346	\$ 430,878	\$103,411	\$534,289	\$ 4,135,635
	Non-Incentive Costs	\$ 633,226	\$ 669,959	\$ 306,465	\$ 1,210,705	\$ 27,403	\$ 14,014,612	\$ 16,862,370	\$ 429,914	\$840,015	\$1,269,929	\$ 18,132,299
	Total Costs	\$ 779,491	\$ 851,674	\$ 612,315	\$ 2,745,305	\$ 27,403	\$ 15,447,528	\$ 20,463,716	\$ 860,792	\$943,426	\$1,804,218	\$ 22,267,934
	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	\$ (417,093)	\$ (592,753)	\$ (2,026,130)	\$ 473,707	\$ (213,875)	\$ (6,710,380)	\$ (9,486,524)	\$ (1,191,358)	\$ (2,056,084)	\$ (3,247,442)	\$ (12,733,966)

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