

Bin 10230  
241 Ralph McGill Boulevard NE  
Atlanta, Georgia 30308-3374  
Tel 404.506.7519  
Fax 404.506.7253

SACE 1st Response to Staff  
013201



August 15, 2012

Mr. Reece McAlister  
Executive Secretary  
Georgia Public Service Commission  
244 Washington Street, SW  
Atlanta, GA 30334-5701

**RE: Certified Demand-Side Management Program – Second Quarter  
2012; Docket 31082**

Dear Mr. McAlister:

Attached please find a copy of Georgia Power's Certified Demand-Side Management Program for the 2<sup>nd</sup> Quarter.

If you have any questions, please call me at 405-506-7519.

Sincerely,

A handwritten signature in blue ink that reads "Kevin Queen".

Kevin Queen  
Manager, Regulatory Affairs

Attachment

C: Dean Harless, Georgia Power Company

Georgia Power Company  
Certified Demand-Side Management Programs  
Second 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 DSM Implementation Monitoring, Georgia Power Company ("Georgia Power" or the "Company") provides this second quarterly report for activity through June 30, 2012.

**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 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 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, 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.

## **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.

#### ***Major activities and accomplishments during this reporting period include:***

- Conducted 2,818 retail site visits, labeling select ENERGY STAR qualified appliances and CFLs and educating customers and training associates to use the Georgia Power EarthCents Appliance Rebates at all participating appliance retailers throughout the state as well as the lighting markdown in participating Costco and The Home Depot stores;
- Conducted 90 in-store promotions highlighting the features and benefits of energy efficient lighting and appliances as well as engaging customers in overall energy efficiency program conversations at a variety of retail locations around the state;
- Conducted 752 Lighting Associate Trainings;
- Conducted 2,239 Appliance Associate Trainings;
- Conducted 1,599 Lighting Customer education events;
- Conducted 453 Appliance Customer education events;
- Launched the second quarter \$25 ENERGY STAR qualified room air conditioner rebate program at all Georgia BrandsMart USA locations and on BrandsMartUSA.com effective May 1, 2012;
- Continued preparations for the third quarter \$20 ENERGY STAR qualified freezer rebate which is scheduled to launch July 1, 2012 at all participating appliance retail locations throughout the state;
- Updated the Georgia Power website to reflect the 2012 Appliance Rebate Program; and
- Hosted 57 Change the World customer events and distributed 14,479 CFL’s to customers in exchange for a pledge.

**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 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 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:***

- Hosted a key stakeholder summit for approximately 32 builders, raters, realtors, appraisers, and lenders which identified barriers and obstacles to success in energy efficient construction;
- Conducted Realtor training classes in Macon, Valdosta, and Columbus with approximately 65 in attendance;
- Continued to engage builders in the EarthCents New Home Program statewide through individual meetings as well as Home Builder Association functions;
- Continued to engage all top production builders on the benefits of energy efficient EarthCents New Home construction;
- Finalized plans on the New Market Consumer Awareness Campaign utilizing EarthCents New Homes Program billboards statewide along with promoting the program through online advertising and consumer periodicals. The campaign will start in July and conclude in December 2012;
- Sponsored Fox 5's weekly "Atlanta Best New Homes" Program promoting EarthCents New Home Program to consumers, realtors, and builders;
- Hosted a statewide HERS Raters meeting for those participating in the EarthCents New Home Program;
- Participated in an EarthCents New Home Program Lunch and Learn for builders and raters at Greater Atlanta Homebuilders Association; and
- Presented an overview of the EarthCents New Home Program to 70 Metro Atlanta Area Realtors.

**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 104 program participating contractors who provide statewide coverage;
- Mailed letter with program rebate information to over 6,900 multi-family property owners in June;
- Email campaign launched in April and June to provide energy tips and rebate information to approximately 660,000 residential customers;
- Social Media Campaign launched in June to provide an energy tip per day along with rebate information via Facebook and Twitter;
- Presented program at Savannah Earth Day Festival in April;
- Presented program at City of Decatur Contractor Event in April;
- Presented program at Conditioned Air Association of Georgia (CAAG) meeting in Augusta in May;
- Presented program at U.S. EPA Southeast Region Employee Recreation Association's Eco-Expo event in May; and
- Presented program at Gwinnett Chamber Economic Development Annual Sustainability Summit in May.

**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:***

- Continued implementing the new 2012 marketing plan through the middle of June which included newspaper ads, increasing radio ads in Athens, Rome and Columbus and participation in the company's new customer email campaign;
- Additional marketing initiative plans such as increasing the incentive from \$35 to \$50 (beginning July 1), ramping up radio and newspaper advertising and adding a direct mailer to 50,000 customers were completed and strategies developed in an effort to increase program participation and fully leverage our upcoming peak season (July – September);
- All web, advertising and collateral is being updated to reflect the new incentive; and
- Added two collection crews in Atlanta, Ga and one collection crew based in Savannah, Ga.

**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:***

- An additional 15,000 were ordered second quarter and are beginning to arrive in July;
- 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 over 7,600 customers completed by midyear 2012;
- 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 and will be installed while technicians are in the area with the conversion.

**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.

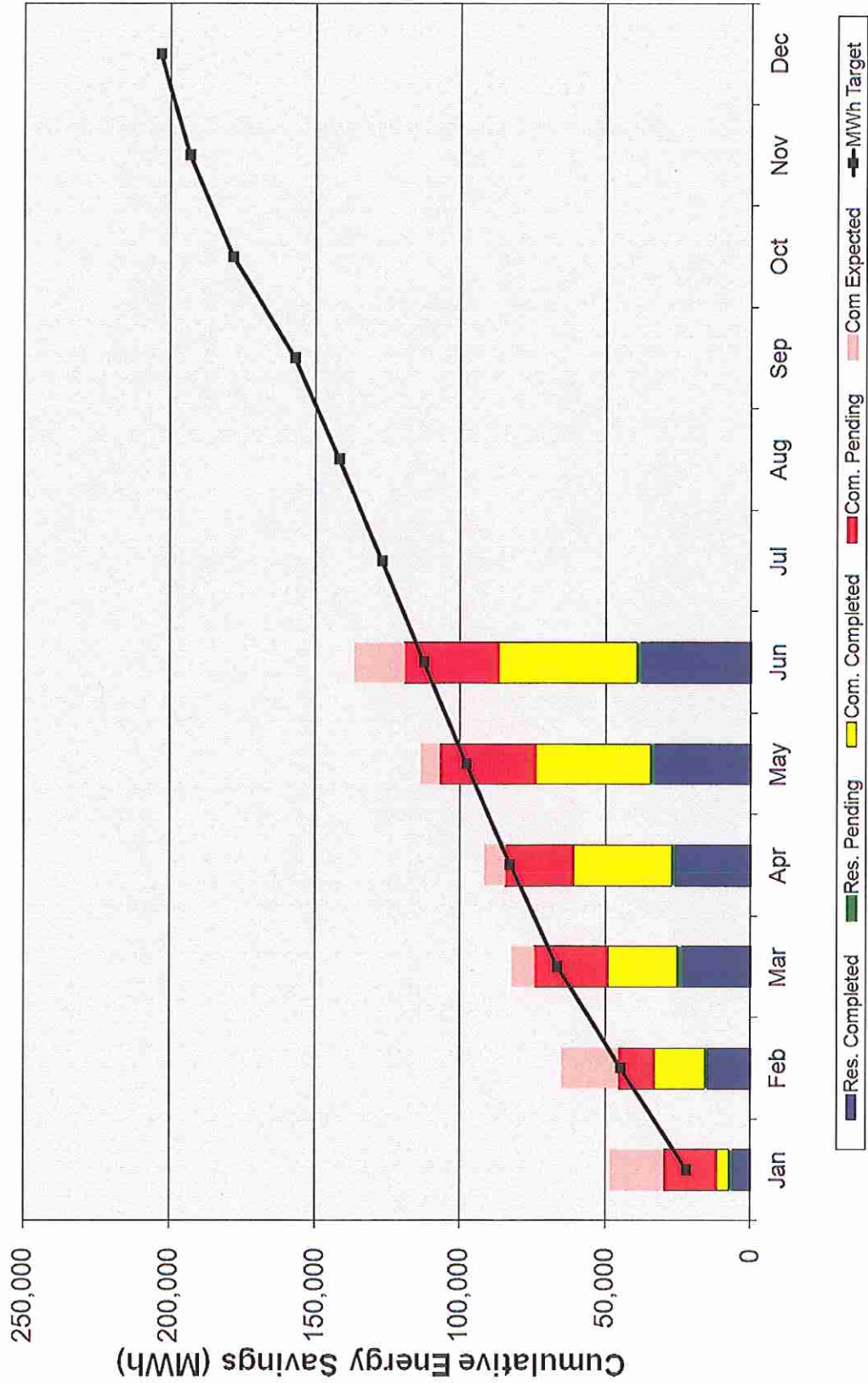
These programs are being marketed as a single Commercial program with the customer having the option of choosing the Custom or Prescriptive track for achieving energy savings and the corresponding incentives associated with those savings.

***Major activities and accomplishments during this reporting period include:***

- Georgia Power Commercial Energy Efficiency representatives presented program information at the following meetings during the second quarter of the year:
  - HARDI (Heating, Air Conditioning & Refrigeration Distributors International);
  - BOMA (Building Owners and Managers of Atlanta);
  - Southern Company Environmental Stewardship Group;
  - Mingleorff's HVAC Dealers (Carrier & Mitsubishi Distributor);
  - Equifax Office Management;
  - Selig Enterprises (Commercial Office Management Company);
  - Statesboro Chamber of Commerce Local Industry Group;

- Georgia Center for Non-Profits;
  - Augusta Commercial Builders Council;
  - Lunch & Learn for Northeast Region Key Account Customers; and
  - Prologis Building Management.
- Georgia Power Commercial Energy Efficiency representatives attended the following Professional Association Conferences where they interfaced with numerous customers and trade allies:
    - GA Assoc. of Physical Plant Administrators (College & University Facilities personnel);
    - Georgia Society of Hospital Engineers;
    - Georgia Hotel and Lodging Association's Hotelfest;
    - Atlanta Better Building Challenge "Meet Your Match" event; and
    - Georgia Council of Educational Facility Planners.
- The following Commercial Energy Efficiency program marketing materials were developed during the second quarter of 2012:
    - Atlanta Airport parking deck lighting testimonial video and collateral;
    - City of Macon reflective roofing testimonial video and collateral; and
    - Developed new segment specific ads to go into professional periodicals and journals in 2nd half of 2012.
- Additionally, Georgia Power completed the following activities in support of the Commercial Energy Efficiency program:
    - Conducted Trade Ally Focus Groups to solicit feedback and suggestions on program improvements; and
    - Initiated project to create online rebate application tool. Rollout expected in late 3Q or early 4Q.

# 2010 Certified DSM Programs





## Certified DSM Programs - 2Q Performance Report 2012

Current Quarter	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	Multi	Single									
	Appliances	Lighting	Multi	Single	Multi	Single	Multi	Single								
Participants	2,258	63,139	2,610	141	1,964	3,111	314	(16)	73,636	302	185	487	74,123			
Energy Savings (kWh)	1,319,797	4,688,388	2,873,610	92,000	1,742,443	2,734,352	1,70,816	-	13,912,182	19,641,745	11,271,775	30,913,520	44,825,702			
Demand Savings (kW)	183	3,798	418	62	390	1,288	31	(31)	6,184	4,038	3,121	7,159	13,343			
Incentive Costs	\$ 194,293	\$ 196,361	\$ 73,045	\$ 62,750	\$ 1,487,168	\$ -	\$ 840	\$ -	\$ 2,014,457	\$ 675,685	\$ 209,046	\$ 884,731	\$ 2,899,188			
Non-Incentive Costs	\$ 281,729	\$ 192,187	\$ 425,759	\$ 180,169	\$ 545,457	\$ 16,357	\$ 16,357	\$ 596,596	\$ 2,238,254	\$ 596,200	\$ 380,224	\$ 976,424	\$ 3,214,678			
Total Costs	\$ 476,022	\$ 388,548	\$ 498,804	\$ 242,919	\$ 2,032,625	\$ 16,357	\$ 16,357	\$ 597,436	\$ 4,252,711	\$ 1,271,885	\$ 589,270	\$ 1,861,155	\$ 6,113,866			
Participants	11,367	325,486	4,171	338	2,498	4,510	588	(25)	349,048	582	574	1,156	350,204			
Energy Savings (kWh)	5,959,910	19,689,140	4,592,271	92,000	413,374	2,566,054	5,476,703	319,872	39,109,324	52,303,145	27,648,275	79,951,420	119,060,744			
Demand Savings (kW)	851	16,725	667	45	149	1,574	59	(49)	20,598	9,996	7,348	17,344	37,942			
Incentive Costs	\$ 857,717	\$ 196,361	\$ 108,190	\$ 118,850	\$ 2,075,960	\$ -	\$ 860	\$ -	\$ 3,357,938	\$ 1,059,625	\$ 355,852	\$ 1,415,477	\$ 4,773,415			
Non-Incentive Costs	\$ 571,471	\$ 192,187	\$ 637,282	\$ 274,514	\$ 962,377	\$ 16,472	\$ 16,472	\$ 963,265	\$ 3,617,569	\$ 913,229	\$ 474,115	\$ 1,387,345	\$ 5,004,913			
Total Costs	\$ 1,429,188	\$ 388,548	\$ 745,472	\$ 393,364	\$ 3,038,337	\$ 16,472	\$ 16,472	\$ 964,125	\$ 6,975,507	\$ 1,972,855	\$ 829,967	\$ 2,802,822	\$ 9,778,329			
Total Annual Budget (1) (2)	\$ 2,168,680	\$ 2,278,668	\$ 3,702,339	\$ 3,749,018	\$ 3,702,339	\$ 205,555	\$ 205,555	\$ 9,500,000	\$ 21,604,260	\$ 3,192,068	\$ 5,254,692	\$ 8,446,760	\$ 30,051,020			
Budget Variance	\$ (350,944)	\$ (1,533,196)	\$ (664,002)	\$ (3,355,654)	\$ (664,002)	\$ (189,083)	\$ (189,083)	\$ (8,535,875)	\$ (14,628,753)	\$ (1,219,213)	\$ (4,424,725)	\$ (5,643,938)	\$ (20,272,691)			
Participants	26,335	740,534	10,820	1,989	1,062	9,342	1,176	56,368	851,674	1,000	923	1,923	853,597			
Energy Savings (kWh)	13,238,727	42,765,779	11,912,820	1,591,200	1,298,826	6,713,138	9,574,438	639,592	87,734,520	117,761,345	43,969,246	161,730,591	249,465,111			
Demand Savings (kW)	1,915	30,342	1,711	776	470	2,659	116	110,481	149,105	23,770	12,608	36,378	185,483			
Incentive Costs	\$ 1,706,158	\$ 347,620	\$ 347,620	\$ 648,600	\$ 4,867,060	\$ -	\$ 1,434,176	\$ 9,003,614	\$ 2,476,692	\$ 2,476,692	\$ 642,486	\$ 3,119,177	\$ 12,122,791			
Non-Incentive Costs	\$ 2,295,124	\$ 1,616,453	\$ 1,616,453	\$ 1,125,869	\$ 2,728,828	\$ 68,606	\$ 16,013,124	\$ 23,848,005	\$ 1,809,033	\$ 1,809,033	\$ 2,052,818	\$ 3,861,851	\$ 27,709,855			
Total Costs	\$ 4,001,282	\$ 1,964,073	\$ 1,964,073	\$ 1,774,469	\$ 7,595,888	\$ 68,606	\$ 17,447,300	\$ 32,851,619	\$ 4,285,724	\$ 4,285,724	\$ 2,695,304	\$ 6,981,028	\$ 39,832,647			
Total Program Budget	\$ 3,365,264	\$ 3,723,095	\$ 3,723,095	\$ 6,387,463	\$ 5,973,937	\$ 446,833	\$ 31,657,908	\$ 51,554,500	\$ 5,244,218	\$ 5,244,218	\$ 8,254,202	\$ 13,498,420	\$ 65,052,920			
Budget Variance	\$ 636,018	\$ (1,759,022)	\$ (1,759,022)	\$ (4,612,994)	\$ (1,621,951)	\$ (378,227)	\$ (14,210,608)	\$ (18,702,881)	\$ (958,494)	\$ (958,494)	\$ (5,558,898)	\$ (6,517,392)	\$ (25,220,273)			

**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
- (4) 1st quarter lighting costs were omitted in error. YTD and PTD costs are correct.
- (5) Multifamily Home Energy Improvement participants are higher program to date to reflect number of units instead of number of projects (as was reported in 2011).