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DOCKET NOS. 42310 and 42311

**IN RE: GEORGIA POWER COMPANY'S 2019 INTEGRATED
RESOURCE PLAN AND DEMAND SIDE MANAGEMENT
PLAN**

**ORDER APPROVING THE INCOME QUALIFIED TARIFF BASED ENERGY
EFFICIENCY PILOT WITH MODIFICATIONS**

On April 1, 2020, Georgia Power Company ("Georgia Power" or "Company") filed for Georgia Public Service Commission ("Commission") approval its plan for an Income Qualified Tariff Based Energy Efficiency Pilot ("Pilot"). In this filing, Georgia Power included a Plan for implementing the Pilot, the Terms and Conditions of the Pilot, and the IQTBEE-1 tariff ("Tariff") with a proposed effective date as the billing month July, 2020.

Background

On January 31, 2019, Georgia Power filed its 2019 Integrated Resource Plan ("IRP") in Docket No. 42310 and Demand Side Management ("DSM") Plan in Docket No. 42311. The IRP filing included a request for approval of the Income-Qualified Tariff-Based Financing Pilot which has been renamed as the Income Qualified Tariff Based Energy Efficiency Pilot ("Pilot"). On June 6, 2019, a stipulation was filed which addressed this matter. Specifically, paragraph 7 under the Demand Side Plan stated the following:

Docket Nos. 42310 and 42311
Order Approving Georgia Power Company's Income Qualified Tariff Based Energy
Efficiency Pilot with modifications

The Company and PIA Staff agree to work together over the next nine-months to investigate the reduction of administrative costs for a potential Income Qualified Tariff Based Financing Pilot for 500 income qualified customers. The Company and Staff will also work together to set a policy for the collection of uncollectibles from a potential Income Qualified Pilot through the Residential DSM Tariff. The Company will file a more complete pilot plan with the Commission by April 1, 2020.

This stipulation was approved by the Commission on July 29, 2019 in the Order Adopting Stipulation as Amended.

This Pilot is intended to serve five hundred (500) low income residential customers who reside in single-family homes as well as multifamily properties with a goal of saving an estimated 25% of the customer's baseline household electric energy usage through an investment of up to \$7,500 in energy efficiency upgrades. The Pilot will be offered to select zip codes in Atlanta and Athens. These customers will be identified through a marketing and outreach campaign. Customers who do not own their home are still eligible to participate provided that the owner of the property agrees to participate. The Pilot eligibility criteria will be based on income qualification consistent with the current year's federal guidelines for an income level of 200% of the federal annual poverty level which is the same requirement for participation in other income qualified offerings. This Pilot is intended to overcome participation barriers to low income customers who typically do not have the capital to cover upfront costs of energy efficiency upgrades and are often underserved in standard energy efficiency programs. Eligible measures are the same as those included within the certified Home Energy Improvement Program's list of qualifying measures and incentives. These measures include: insulation, Smart Wi-Fi Enabled Thermostat, air sealing, and HVAC.

Participants will have an assessment at their home to establish a baseline of energy use, and energy modeling software will be used to identify and prioritize efficiency improvements. A report detailing the proposed improvements, costs and payback period will be provided to the participants to encourage participation. The customers that elect to proceed with the Pilot must

agree to the Terms and Conditions of the Pilot. These Terms and Conditions will apply to any subsequent occupant taking service at the premises until the cost of the improvements have been paid off. Customers who choose to not proceed with the Pilot or do not qualify may be offered certain cost effective energy efficiency measures or improvements and educational resources for additional energy savings. These customers will not count toward the 500 Pilot participants.

During this Pilot, Georgia Power will pay the upfront cost of eligible energy efficiency measures and then recover the cost through payments participants make through a tariff charge on their electric bills. The term of payment will not exceed the lesser of the estimated average life of the measures or ten years from the first charge to the electric service bill. The amount a participant pays each month is based on the estimated savings based on similar household size, usage, and weather-normalized consumption. The customer retains 20% of the cost savings as a bill reduction with the rest applying to the tariff charge. Savings cannot be guaranteed during each month because factors such as weather and usage may affect the amount of a customer's monthly bill.

The tariff will be associated with the meter at the premises and will remain in place until cost recovery is complete, regardless of a change in occupancy. Once the cost of the upgrades has been recovered, the tariff will be removed from the premises and the customer will continue to enjoy the benefits of the upgrades. In the event of a customer's electric service disconnection for nonpayment, Georgia Power will recover costs through the Residential DSM tariff for the amount corresponding to the duration of any lapse in electric service payment. Georgia Power will recover any outstanding amounts owed every ninety (90) days until all amounts are recovered. The customer and owner must maintain the upgrades in good condition consistent with manufacturer requirements. If necessary, Georgia Power will make or cause to be made any repairs or replacement deemed necessary at no cost to the customer, so long as the customer, owner, or third-party was not the cause for repair or replacement. These costs, if not otherwise recovered through the cost recovery charge, will be recovered through the Residential DSM tariff.

The total estimated budget for the Pilot is \$6,995,598.00 for the 2020-2022 timeframe, excluding carrying costs. The budget includes Contracting, Marketing & Outreach, Evaluation,

and Administrative/Management costs which are specified in the Company's filed Proposed Plan. Carrying costs will be based on Georgia Power's weighted average cost of capital and are estimated at approximately \$1,605,000.00. The carrying costs will be recovered through the Residential DSM tariff during the Pilot term.

Commission Staff ("Staff") worked with the Company over the last several months in the development of this Pilot and after review of the proposed Plan, Terms and Conditions, and IQTBEE-1 tariff, recommended approval with the following recommendations:

1. In the Pilot Plan document, terms and conditions and Tariff, any language regarding spending per Premises/participant that currently states spending may not exceed \$7,500 or up to \$7,500 should be replaced with spending will be *on average* \$7,500 per Premises.
2. Georgia Power or its designees (implementer or the sub-contractors for the implementer) will be required to follow Centers for Disease Control and Prevention ("CDC") Guidelines for any epidemic and pandemic.
3. The IQBTEE pilot will not begin any work in a customer's home until August 1, 2020 or 30 days following the lift of any stay at home order.
4. In the event of limited Personal Protective Equipment ("PPE"), this pilot, along with the Company's other Certified Energy Efficiency Programs will not be considered essential and therefore PPE will be designated for the Company's essential services.

The Commission adopted Staff's recommendation at the May 5, 2020 Administrative Session.

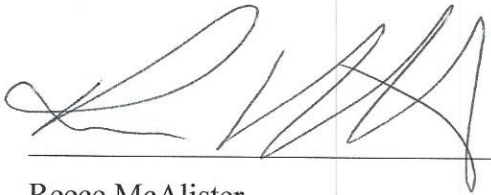
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WHEREFORE IT IS ORDERED, that Georgia Power Company's April 1, 2020 filing which includes a Plan for implementing the Pilot, the Terms and Conditions of the Pilot, and the IQTBEE-1 tariff, as amended by Commission Staff, is hereby approved.

ORDERED FURTHER, that a motion for reconsideration, rehearing, or oral argument or any other motion shall not stay the effective date of this Order, unless otherwise ordered by the Commission.

ORDERED FURTHER, that jurisdiction over this matter is expressly retained for the purpose of entering such further Order or Orders as this Commission may deem just and proper.

The above action was taken by the Commission in Administrative Session on the 5th day of May, 2020.



Reece McAlister
Executive Secretary



Chuck Eaton
Chairman

5-7-20

Date

5/7/20

Date