MEMORANDUM

To: Andy Phillips, Georgia Power

From: Eli Morris, Applied Energy Group

Date: 10/9/2024

Re: Errata to 2024 Achievable Energy Efficiency Potential Assessment Report

Classification: Sensitive

Background

In January of 2024, Applied Energy Group (AEG) completed a Technical, Economic, and Achievable Potential (TEAPot) study for Georgia Power, including a final study report, which Georgia Power filed with the Georgia Public Service Commission on January 31, 2024.

Subsequent to the filing of the TEAPot study report, Georgia Power discovered an error in calculations of lost revenue associated with commercial heat pump measures, which AEG used to calculate the Ratepayer Impact Measure (RIM) and Participant Cost Test (PCT) within the TEAPot study. This error caused lost revenue calculations to be overstated. After discovering the error, Georgia Power provided corrected values to AEG to update the TEAPot analysis.

Within the TEAPot study, energy efficiency measures are screened for cost-effectiveness using the Total Resource Cost (TRC) test, which does not consider lost revenue. Because of this, the correction did not impact the identified technical, economic, or achievable potential, but did change the RIM and PCT values for the commercial sector and in total.

The error was specific to the TEAPot study and did not impact energy efficiency programs developed for the 2025 IRP. The remainder of this memo summarizes changes to the report resulting from this correction.

Repot Corrections

Executive Summary

- Page vi:
- "…at a RIM net cost between $4.7 and $11.0 billion to electric customers" corrected to "…at a RIM net cost between $2.6 and $7.4 billion to electric customers"
- "PCT net benefits of between $5.5 and $13.0 billion are available to participants…" corrected to "PCT net benefits of between $3.3 and $9.4 billion are available to participants…"
    - Table ES-2 (RIM and PCT columns only) corrected to:

	TRC		RIM		PCT		PAC	
Achievable Scenario	Net Benefits (Millions)	Benefit/ Cost	Net Benefits (Millions)	Benefit/ Cost	Net Benefits (Millions)	Benefit/ Cost	Net Benefits (Millions)	Benefit/ Cost
25% Incentive	$752	2.05	($2,557)	0.30	$3,309	7.83	$732	3.06
50% Incentive	$1,019	2.08	($3,571)	0.29	$4,590	8.28	$821	2.30
75% Incentive	$1,409	2.10	($5,097)	0.28	$6,506	8.70	$904	1.85
100% Incentive	$1,986	2.11	($7,440)	0.27	$9,426	9.11	$952	1.53

- Page vii:
- "Net participant benefits range from $5.5 billion to $13.0 billion." corrected to "Net participant benefits range from $3.3 billion to $9.4 billion."
- "However, these benefits come at substantial costs to customers where net costs to those customers range from $4.7 billion to $11.0 billion" corrected to "However, these benefits come at substantial costs to customers where net costs to those customers range from $2.6 billion to $7.4 billion"

Chapter 2 – Estimates of Energy Efficiency Potential

- Page 19:
    - "Associated costs to electricity customers could range from $4.7 and $11 billion from the RIM perspective" corrected to "Associated costs to electricity customers could range from $2.6 and $7.4 billion from the RIM perspective"
    - Table 2-5 (RIM and PCT columns only) corrected to:

	TRC		RIM		PCT		PAC	
Achievable Scenario	Net Benefits (Millions)	Benefit/ Cost	Net Benefits (Millions)	Benefit/ Cost	Net Benefits (Millions)	Benefit/ Cost	Net Benefits (Millions)	Benefit/ Cost
25% Incentive	$752	2.05	($2,557)	0.30	$3,309	7.83	$732	3.06
50% Incentive	$1,019	2.08	($3,571)	0.29	$4,590	8.28	$821	2.30
75% Incentive	$1,409	2.10	($5,097)	0.28	$6,506	8.70	$904	1.85
100% Incentive	$1,986	2.11	($7,440)	0.27	$9,426	9.11	$952	1.53

- Page 35:
  - "Associated costs to customers could range from $3.6 billion to $6.7 billion from a RIM perspective" corrected to "Associated costs to customers could range from $1.5 billion to $3.2 billion from a RIM perspective"
  - Table 2-14 (RIM and PCT columns only) corrected to:

	TRC		RIM		PCT		PAC	
Achievable Scenario	Net Benefits (Millions)	Benefit / Cost	Net Benefits (Millions)	Benefit/ Cost	Net Benefits (Millions)	Benefit/ Cost	Net Benefits (Millions)	Benefit/ Cost
25% Incentive	$397	1.85	($1,487)	0.33	$1,883	6.68	$514	3.38
50% Incentive	$498	1.90	($1,887)	0.33	$2,385	7.01	$556	2.55
75% Incentive	$635	1.94	($2,427)	0.32	$3,062	7.36	$604	2.09
100% Incentive	$822	1.99	($3,166)	0.32	$3,988	7.73	$660	1.80

Conclusion

- Page 43:
  - "Net participant benefits range from $5.5 billion to $13.0 billion" corrected to "Net participant benefits range from $3.3 billion to $9.4 billion"
  - "Net costs to electric utility customers range from $4.7 billion to $11.0 billion…" corrected to "Net costs to electric utility customers range from $2.6 billion to $7.4 billion…"