

**BEFORE THE**  
**GEORGIA PUBLIC SERVICE COMMISSION**

**In the Matter of:**

**GEORGIA POWER COMPANY'S ) DOCKET NO. 56002**  
**2025 INTEGRATED RESOURCE PLAN )**

**GEORGIA POWER COMPANY'S ) DOCKET NO. 56003**  
**APPLICATION FOR THE CERTIFICATION, )**  
**DECERTIFICATION, AND AMENDED )**  
**DEMAND-SIDE MANAGEMENT PLAN )**

**DIRECT TESTIMONY AND EXHIBITS**  
  
**OF**  
  
**JAMIE BARBER, NICK COOPER, AND**  
**RICHARD F. SPELLMAN**

**ON BEHALF OF THE**  
  
**GEORGIA PUBLIC SERVICE COMMISSION**  
**PUBLIC INTEREST ADVOCACY STAFF**

**May 5, 2025**

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<b><u>Staff Exhibit #</u></b>	<b><u>Description</u></b>
BCS-1	Resume of Jamie Barber
BCS-2	Resume of Nick Cooper
BCS-3	Resume of Richard F. Spellman
BCS-4	Staff's Recommended DSM Program Planning Process
BCS-5	2023 Georgia Power Certified Program kWh Savings by Program
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1    **I.    QUALIFICATIONS**

2    **Q.    MS. BARBER, PLEASE STATE YOUR NAME, TITLE, AND BUSINESS**  
3    **ADDRESS.**

4    A.    My name is Jamie Barber, and I am the Director of the Energy Efficiency and Renewable  
5    Energy Unit for the Georgia Public Service Commission (“Commission”). My business  
6    address is 244 Washington Street SW. Atlanta, GA 30334.

7    **Q.    PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND WORK**  
8    **EXPERIENCE.**

9    A.    My educational background and work experience are provided in my resume, which is  
10   attached as Staff Exhibit\_BCS-1.

11   **Q.    HAVE YOU EVER TESTIFIED BEFORE THIS COMMISSION?**

12   A.    Yes. I testified in each of the 1998 through 2009 United Cities Gas Company (now known  
13   as Atmos Energy Corporation) Gas Supply Plan Proceedings. I have also testified in  
14   Docket No. 10270, GPSC Determination of Lack of Market Constraints on Atlanta Gas  
15   Light Company’s Commodity Sales; Docket No. 11114, Rule Nisi Against United Gas  
16   Management of Georgia, Inc.; Docket No. 14311, Earnings Review to Establish Just and  
17   Reasonable Rates for Atlanta Gas Light Company; Docket No. 15296 Service Quality  
18   Standards for Certified Marketers and Regulated Provider; Docket No. 18638-Atlanta Gas  
19   Light Company’s 2004/2005 Rate Case; Docket No. 20298 Atmos Energy Corporation’s

1 2005 Rate Case; Docket No. 27163 Atmos Energy Corporation's 2008 Rate Case; Docket  
2 No. 30442 Atmos Energy's 2010 Rate Case; Docket No. 36498 Georgia Power Company's  
3 2013 IRP Filing; Docket No. 36499 Georgia Power Company's 2013 Demand Side  
4 Program Certification; Docket No. 37854, Georgia Power Company's Application for the  
5 Certification of the Power Purchase Agreements for Wind Resources from the Blue  
6 Canyon II and Blue Canyon VI Wind Farms; Docket No. 38877, Georgia Power  
7 Company's Application for the Certification of the 2015 and 2016 Advanced Solar  
8 Initiative Prime Power Purchase Agreements and Request for Approval of the 2015  
9 Advanced Solar Initiative Power Purchase Agreements, Docket No. 36989 Georgia Power  
10 Company's 2013 Rate Case, Docket No. 40161 Georgia Power Company's 2016 IRP  
11 Filing, 40162 Georgia Power Company's 2016 Demand Side Program Certification,  
12 Docket No. 41596, Georgia Power Company's Application for the Certification of the  
13 2018/2019 Renewable Energy Development Initiative Utility Scale Power Purchase  
14 Agreements, Docket No. 41734, Georgia Power Company's Application for the  
15 Certification of the 2018/2019 Renewable Energy Development Initiative Utility Scale  
16 Power Purchase Agreements for the Commercial and Industrial Program, Docket No.  
17 43210 Georgia Power's 2019 IRP Filing, Docket No. 43211 Georgia Power Company's  
18 2019 Application for the Certification, Decertification, and Amended Demand-Side  
19 Management Plan, Docket No. 42516 Georgia Power's 2019 Rate Case, Docket No. 44160  
20 Georgia Power Company's 2022 IRP Filing, Docket No. 44161 Georgia Power Company's  
21 2022 Application for the Certification, Decertification, and Amended Demand-Side  
22 Management Plan, Docket No. 44280 Georgia Power's 2022 Rate Case, and Docket No.

1 44880, Georgia Power Company's Application for the Certification of the 2023 Biomass  
2 Request for Proposals Power Purchase Agreements.

3 **Q. MR. COOPER, PLEASE STATE YOUR NAME, TITLE, AND BUSINESS**  
4 **ADDRESS.**

5 A. My name is Nick Cooper, and I am a Utilities Engineer for the Commission. My business  
6 address is 244 Washington Street SW. Atlanta, GA 30334.

7 **Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND WORK**  
8 **EXPERIENCE.**

9 A. My educational background and work experience are provided in my resume, which is  
10 attached as Staff Exhibit\_BCS-2.

11 **Q. HAVE YOU EVER TESTIFIED BEFORE THIS COMMISSION?**

12 A. Yes. I testified in Docket No. 40162 Georgia Power Company's 2016 Demand Side  
13 Program Certification, Docket No. 43211 Georgia Power Company's 2019 Application for  
14 the Certification, Decertification, and Amended Demand-Side Management Plan, and  
15 Docket No. 44161 Georgia Power Company's 2022 Application for the Certification,  
16 Decertification, and Amended Demand-Side Management Plan.

17 **Q. MR. SPELLMAN, PLEASE STATE YOUR NAME, TITLE AND BUSINESS**  
18 **ADDRESS.**

19 A. My name is Richard F. Spellman, and I am an Executive Consultant at GDS Associates,  
20 Inc. ("GDS"), an engineering and management consulting firm which specializes in energy

1 supply, energy efficiency and demand response planning and analysis issues with clients  
2 in the US and Canada. In addition to providing energy efficiency and demand response  
3 program planning and evaluation services, GDS is implementing energy efficiency and  
4 demand response programs for clients in several states. My business address is Suite 800,  
5 1850 Parkway Place, Marietta, Georgia 30067.

6 **Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND WORK**  
7 **EXPERIENCE.**

8 A. My educational background and work experience are provided in my resume, which is  
9 attached as Staff Exhibit\_BCS-3.

10 **Q. HAVE YOU EVER TESTIFIED BEFORE THIS COMMISSION?**

11 A. Yes. I testified before the Commission in twenty-one prior dockets including Docket No.  
12 5601, Georgia Power's 1995 Integrated Resource Plan; Docket No. 5602, Savannah  
13 Electric & Power Company's 1995 Integrated Resource Plan; Docket No. 6315, Georgia  
14 Power Application for Certification of the Residential Load Management Program; Docket  
15 No. 6325, Georgia Power Application to Establish a Customer Controlled Load  
16 Management Rate; Docket No. 8708, Savannah Electric & Power Company's 1998  
17 Integrated Resource Plan; Docket No. 8709, Georgia Power 1998 Integrated Resource  
18 Plan; Docket No. 13305, Georgia Power Company's Application for Approval of the 2001  
19 Integrated Resource Plan; Docket No. 13306, Savannah Electric and Power Company's  
20 Application for Approval of the 2001 Integrated Resource Plan; Docket No. 17687,  
21 Georgia Power Company's 2004 Integrated Resource Plan; Docket No. 17688, Savannah

1 Electric and Power Company Company’s 2004 Integrated Resource Plan; Docket No.  
2 4822, Capacity and Energy Payments to cogenerators under PURPA; Docket No. 19279,  
3 Biomass Gas & Electric, LLC’s Petition to Establish Docket Regarding Forsyth County  
4 Renewable Energy Plant; Docket No. 31081, Georgia Power Company 2010 IRP Filing;  
5 Docket No. 31082, Georgia Power’s 2010 Demand Side Program Certification; Docket  
6 No. 36498 Georgia Power Company 2013 IRP Filing; Docket No. 36499 Georgia Power  
7 Company’s 2013 Demand Side Program Certification; Docket No. 40161 Georgia Power  
8 Company 2016 IRP Filing; Docket No. 40162 Georgia Power Company’s 2016 Demand  
9 Side Program Certification, Docket No. 43210 Georgia Power Company’s 2019 IRP  
10 Filing; Docket No. 43211 Georgia Power Company’s 2019 Application for the  
11 Certification, Decertification, and Amended Demand-Side Management Plan, Docket No.  
12 44160 Georgia Power Company’s 2022 Integrated Resource Plan and Docket No. 44161  
13 Georgia Power Company’s 2022 Application for the Certification, Decertification, and  
14 Amended Demand-Side Management Plan.

15 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING?**

16 A. We are presenting testimony on behalf of the Commission Public Interest Advocacy Staff  
17 (“Staff”).

18 **II. SUMMARY**

19 **Q. PLEASE PROVIDE THE RECOMMENDATIONS THAT STAFF IS MAKING**  
20 **FOR THE COMMISSION TO CONSIDER.**

- 1 A. Based on our review of the Georgia Power Company’s (“Georgia Power” or “Company”)  
2 filing, testimony, data request responses, and other pertinent information for this case, we  
3 have the following recommendations for the Commission’s consideration:
- 4 1. Staff recommends approval of the Company’s Capacity and Affordability Case as modified  
5 by Staff’s recommendations contained in this testimony.
  - 6 2. Staff recommends that the Company’s Demand Side Management (“DSM”) Program  
7 Planning Approach be approved for use going forward with the modification as proposed  
8 by Staff. The updated DSM Program Planning Approach is provided in Staff Exhibit\_BCS-  
9 4. Staff recommends continuing to require the Company to include an additional case in its  
10 2028 Integrated Resource Plan (“IRP”) development and resource optimization process  
11 where DSM is allowed to compete head-to-head with supply-side options in the IRP model.  
12 This case should be called the Integrated Modeling Case.
  - 13 3. Staff recommends that the Demand Side Management Working Group (“DSMWG”)  
14 continue in its current form and be involved in the development of future DSM programs.
  - 15 4. Staff recommends approval of the Company’s request for decertification of the Residential  
16 Refrigerator Recycling Plus, Residential Specialty Lighting, and Commercial Behavioral  
17 Programs.
  - 18 5. Staff recommends that the Commission deny the certification of the Residential Products  
19 Program.
  - 20 6. Staff recommends approval of the Company’s request for waiver of Commission Rule 515-  
21 3-4-.04(4)(a)3 for the Residential Home Energy Improvement, Residential Energy  
22 Assistance for Savings and Efficiency, and Residential HopeWorks Programs.

- 1 7. Staff recommends approval of the amended certificates for the Residential Behavioral,  
2 Residential Demand Response, Residential Home Energy Improvement, Residential  
3 Energy Assistance for Savings and Efficiency, Residential HopeWorks, Commercial  
4 Custom, Commercial Prescriptive, and Small Commercial Direct Install Programs.
- 5 8. Staff recommends that the Automated Benchmarking Tool (“ABT”) continue for the 2026-  
6 2028 program cycle as approved in the 2019 and 2022 IRP Orders.
- 7 9. Staff recommends approval of the total three-year budget of \$4,376,200 for Evaluation and  
8 \$9,963,100 for Cross Cutting, for the 2026-2028 program cycle as proposed in the  
9 Company’s Capacity and Affordability Case.
- 10 10. Staff recommends approval of Staff’s Recommended Case energy savings targets as  
11 provided in Staff Exhibit\_BCS-9.
- 12 11. Staff recommends approval of Staff’s Recommended Case program budgets as provided  
13 in Staff Exhibit\_BCS-10. Staff’s Recommended Case has a proposed average annual  
14 program budget of \$146 million for the 2026-2028 program cycle compared to the  
15 Company’s Proposed Case annual average program budget of \$565 million, a reduction of  
16 \$419 million per year.
- 17 12. Staff recommends the continuation of the Education Initiative-Learning Power budget at  
18 \$4 million annually for the 2026-2028 program cycle.
- 19 13. Staff recommends the continuation of the Residential and Commercial Energy Efficiency  
20 Consumer Awareness budgets at \$4.5 million and \$1.1 million annually, respectively for  
21 the 2026-2028 program cycle.
- 22 14. Staff recommends the continuation of the pilot budgets of \$3 million annually, to be  
23 divided evenly between Residential and Commercial pilots and that Staff has input

1 regarding any proposed pilots before they are implemented by the Company and  
2 throughout the course of the pilot.

3 15. Staff recommends that the current Commission-approved Additional Sum mechanism  
4 remain in place for all certified DSM programs except for the Residential income-qualified  
5 programs. For the Residential income-qualified programs, Staff recommends that the  
6 Additional Sum be based on \$.02 per first-year kilowatt hour (“kWh”) saved, based on net  
7 kWh savings.

8 16. Staff recommends that once a program implementer is selected and program plans are  
9 drafted that these plans continue to be provided to Staff for review and approval prior to  
10 the implementation of the programs. The Company should provide Staff at least 15  
11 business days for review of the Final DSM Program Plans.

12 17. Staff recommends the continuation of the current DSM True-Up process, including not  
13 allowing the rollover of unspent annual budget dollars or unrealized savings targets.  
14 Additionally, Staff recommends that the annual DSM True-Up filing include additional  
15 details for the non-incentive cost for all programs. Specifically, this filing should provide  
16 actual costs for the cost categories of Administration, Delivery (Implementation), and  
17 Marketing.

18 18. Staff recommends that the Commission approve the continuation of a three-year program  
19 Evaluation Measurement and Verification (“EM&V”) cycle.

20 19. Staff recommends that the Company plan to evaluate income-qualified program savings in  
21 a manner consistent with the remainder of the Residential portfolio to ensure that the use  
22 of 100% NTG is justified and aligns with objective findings.

- 1 20. Staff recommends using the 2024 EM&V results as the basis for DSM measure and  
2 program savings for the 2026 to 2028 program cycle.
- 3 21. Staff recommends the continuation of current policy to implement the EM&V results in  
4 the first year of the next IRP cycle in 2029.
- 5 22. Staff recommends the continuation of the current Commission policy that requires the  
6 Company to provide detailed evaluation plans for each of the approved DSM programs  
7 within 90 days of the selection of Program Implementers for each of the certified programs.
- 8 23. Staff recommends that if the EM&V findings or results document that the Company has  
9 made an error with reporting of program or DSM measure kWh and kW savings or costs  
10 during a program cycle that such errors be immediately corrected for the reporting of  
11 program results in the current program cycle.
- 12 24. Staff recommends the use of the 2024 EM&V Report identified NTG ratios as outlined in  
13 Staff Exhibit STF\_BCS-13 for the 2026-2028 program cycle.
- 14 25. Staff recommends that the Company also include a comprehensive assessment of the  
15 potential energy and demand savings from demand response measures in the potential  
16 study that will be filed by January 31, 2027.

17 **III. CURRENT COMMISSION DSM POLICY**

18 **Q. PLEASE DESCRIBE THE COMMISSION'S CURRENT DSM POLICY.**

- 19 A. The Commission's Order issued in Docket No. 31082 on July 13, 2010 updated and  
20 clarified the Commission's DSM policy. The Commission's current DSM policies are set  
21 forth in that Order, including:

- 1           1.       The adoption of Standard 16 of the 2007 Federal Energy Independence and Security  
2                    Act (“EISA”) that recognizes cost effective energy efficiency as a priority resource.
- 3           2.       The continued use of “the Nine-Step DSM Planning Process”.<sup>1</sup>
- 4           3.       The Commission Staff’s role as the administrator of the DSMWG and its obligation  
5                    to seek input from Working Group participants in setting the agenda for each  
6                    meeting of the Working Group.
- 7           4.       The Company’s requirement to prepare and file with the Commission a new energy  
8                    efficiency potential study one year in advance of every IRP filing.
- 9           5.       The use of the Total Resource Cost (“TRC”) test to evaluate DSM programs  
10                   included in the Company’s proposed DSM Plan. While the Rate Impact Measure  
11                   (“RIM”) test should be considered in conjunction with other tests, such as the TRC  
12                   test, the Societal test, the Program Administrator test and the Participant test, a ratio  
13                   of above 1.0 for the RIM test should not be deemed mandatory. The RIM test is not  
14                   a test of economic efficiency. Rather, the RIM test is a test of equity or fairness.  
15                   Because the RIM test only indicates whether electric rates may increase if an energy  
16                   efficiency program is implemented, and not whether the impact may lower a  
17                   participant’s overall electric bill, this test will screen out energy efficiency measures  
18                   that can save significant amounts of electricity and can lower customer electric bills.

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<sup>1</sup> The Company now refers to this as the DSM Program Planning Approach.

1 **Q. GOING FORWARD, DOES STAFF RECOMMEND THAT THE COMPANY**  
2 **CONTINUE TO DEVELOP THE SUPPLY-SIDE CASE AS PART OF THE**  
3 **DEVELOPMENT OF FUTURE GEORGIA POWER COMPANY IRPS?**

4 A. Yes. As required by the 2022 IRP/DSM Stipulation, the Company performed the Supply-  
5 Side Case. This Case is an essential component of the IRP development process and  
6 provides a critical reference point for Commissioners, Staff, the Company and interested  
7 stakeholders and should be included in the Company's 2028 IRP development. This  
8 modification is also included in the DSM Program Planning Approach as shown in Staff  
9 Exhibit\_BCS-4. The Supply-Side Case is the only case that provides a truly integrated  
10 resource plan where supply-side and DSM resources compete on a head-to-head basis and  
11 presents the amount of cost-effective DSM that should be included in the IRP based on the  
12 total operating and capital costs of these resources. Having a robust integrated model is  
13 critical to understanding the proper role and energy savings potential of DSM options to  
14 optimize investment and maximize value for all customers. Going forward, this case should  
15 be called the Integrated Modeling Case.

16 **IV. DSMWG AND THE DSM PROGRAM PLANNING APPROACH**

17 **Q. PLEASE DESCRIBE THE DSM PROGRAM PLANNING PROCESS.**

18 A. The DSM Program Planning Approach is used by the Company when developing its  
19 program plans for future IRP and DSM Certification filings. The purpose of using this  
20 approach for DSM program development is to ensure that the process is robust and

1 transparent, allowing for Staff and other stakeholders the opportunity to assist the Company  
2 in its DSM program planning process.

3 **Q. IS THE COMPANY PROPOSING ANY CHANGES TO THE DSM PROGRAM**  
4 **PLANNING APPROACH?**

5 A. No. In the 2025 IRP and DSM Filings, the Company has not requested any changes to the  
6 current DSM Program Planning Approach. Staff supports the continuation of the current  
7 DSM Program Planning Approach as modified by Staff.

8 **Q. DOES STAFF BELIEVE THAT THE COMPANY COMPLETED ALL OF THE**  
9 **STEPS INCLUDED IN THE DSM PROGRAM PLANNING APPROACH?**

10 A. Yes. Staff agrees that the Company completed all steps of the current DSM Program  
11 Planning Approach.

12 **Q. DOES STAFF HAVE ANY OTHER RECOMMENDATIONS REGARDING THE**  
13 **DEVELOPMENT OF THE NEXT POTENTIAL STUDY?**

14 A. Yes. Staff recommends that the Company also include a comprehensive assessment of the  
15 potential energy and demand savings from demand response measures in the potential  
16 study that will be completed and filed in January 2027.

17 **Q. PLEASE DESCRIBE STAFF'S ROLE WITH THE DSMWG.**

18 A. Staff continued to serve as the facilitator of the DSMWG for the 2025 IRP/DSM planning  
19 meetings. This task was accomplished by working collaboratively with both the Company  
20 and other DSMWG members. As facilitator, Staff was responsible for coordinating and

1 hosting meetings, ensuring that members received pertinent materials prior to meetings,  
2 and preparing the minutes of each meeting. Staff also served as a liaison to get questions  
3 answered and issues resolved for the other DSMWG members. Staff was responsible for  
4 ensuring that the Company followed the DSM Program Planning Approach.

5 **Q. DOES STAFF RECOMMEND THE CONTINUATION OF THE DSMWG?**

6 A. Yes. Staff recommends that the DSMWG continue in its current form and be involved in  
7 the development of future DSM programs. The DSMWG serves an important role in  
8 assisting the Company in the development of its energy efficiency programs and helps  
9 ensure that current and pertinent information is being considered by the Company. There  
10 were eight quarterly meetings held in 2023 and 2024 with an additional Ideation meeting  
11 held on February 20, 2024. Staff expects to follow a similar meeting schedule for the 2028  
12 IRP/DSM planning process.

13 **Q. PLEASE DESCRIBE THE PROGRAM IDEAS SUBMITTED BY THE DSMWG**  
14 **MEMBERS.**

15 A. At the DSM Program Ideation meeting held on February 20, 2024, various members of the  
16 DSMWG submitted new DSM programs and additions to currently approved DSM  
17 programs. These submissions included a program focused on new measures to expand  
18 current programs, a program for new manufactured homes, a residential direct install  
19 option, a heat pump water heater midstream program, a custom Multi-Family option, a  
20 heating, venting and air condition midstream Residential program, a new home program,  
21 and funding expansion for tariff-based financing programs. Additionally, there were

1 several ideas presented that were not strictly DSM focused such as a battery demand  
2 response (“DR”) program and an electric school bus vehicle to grid program.

3 **Q. DID THE COMPANY INCLUDE ANY OF THE PROGRAM IDEAS FROM THE**  
4 **DSMWG ADVOCATES IN THE PROPOSED DSM CASE?**

5 A. Yes. The Company included several ideas as modifications to the current portfolio of DSM  
6 programs. At the September 23, 2024 DSMWG meeting, the Company provided a response  
7 to DSMWG members which outlined whether the proposed program ideas would be  
8 included in the Company’s Proposed Case and the rationale regarding how the program  
9 ideas would be modeled. Nine of the eighteen program ideas submitted were included in  
10 the Company’s Proposed Case (Company Response to STF-PIA-2-50). The only program  
11 submission that was considered by the Company to be DSM related and not included in  
12 the Company’s Proposed Case was a Residential New Home program, which was similar  
13 to a DSM program that was decertified in the 2019 DSM Case.

14 **V. GEORGIA POWER’S CURRENT CERTIFIED ENERGY EFFICIENCY**  
15 **PROGRAMS**

16 **Q. PLEASE DESCRIBE THE COMPANY’S CURRENT CERTIFIED DSM AND DR**  
17 **PROGRAMS.**

18 A. Currently, the Company has ten certified DSM Programs including six Residential DSM  
19 programs, four Commercial DSM programs and one Residential DR (“Thermostat DR” or

1 “TempCheck”) Program. The DSM Programs were certified in Docket Nos. 31082, 36499,  
2 40162, 43211, or 44162.

3 **Q. DID THE COMPANY MEET ITS ENERGY SAVINGS TARGETS FOR YEARS**  
4 **2023 AND 2024 WHICH WERE APPROVED IN THE 2022 IRP AND DSM**  
5 **CERTIFICATION DOCKETS?**

6 A. No. For 2023 and 2024, the Company did not meet its overall approved energy savings  
7 targets. The Residential portfolio met its energy savings targets for both 2023 and 2024.  
8 However, the Commercial portfolio did not meet its targets for either 2023 or 2024.

9 For the 2023 Residential portfolio, Georgia Power achieved 105.9% of its overall energy  
10 savings target while spending 81.5% of the total budget. For the 2023 Commercial  
11 portfolio, Georgia Power achieved 41.32% of the overall energy savings target while  
12 spending 65.2% of the total budget. For 2024, Georgia Power exceeded the Residential  
13 energy savings target by achieving 103.6% of the target while spending 90.6% of the  
14 Residential budget. For the 2024 Commercial portfolio, Georgia Power achieved 79.8% of  
15 the energy savings target while spending 84.6% of the Commercial budget.

16 **Q. PLEASE PROVIDE A SUMMARY OF HOW THE COMPANY’S ENERGY**  
17 **SAVINGS FOR 2023 AND 2024 WERE ACHIEVED.**

18 A. As shown in Staff Exhibit\_BCS-5, the Company’s energy savings for 2023 were achieved  
19 mostly through the Commercial Prescriptive program (37%), Commercial Custom  
20 program (15%), and the Residential programs which contributed a combined 43% of total  
21 energy savings. As shown in Staff Exhibit\_BCS-6, the Company’s energy savings for 2024

1 were achieved mostly through the Commercial Prescriptive program (43%), Commercial  
2 Custom program (28%), and the Residential programs which contributed a combined 28%  
3 of total energy savings.

4 **Q. DOES STAFF EXPECT GEORGIA POWER TO MEET ITS ENERGY SAVINGS**  
5 **TARGETS IN 2025?**

6 A. Based on recent discussions with the Company, Staff expects that the Company will meet  
7 its Residential energy savings targets for 2025; however, Staff expects that the Company  
8 will only meet approximately seventy percent of the Commercial energy savings target.

9 **Q. PLEASE DESCRIBE THE FEDERAL FUNDING PROVIDED TO GEORGIA**  
10 **THROUGH THE INFLATION REDUCTION ACT OF 2022.**

11 A. The Inflation Reduction Act (“IRA”) allocated \$219 million to the state of Georgia for  
12 energy efficiency and electrification projects. These funds will be administered through the  
13 Georgia Environmental Finance Authority (“GEFA”) and are required to be disbursed  
14 before September 30, 2031. There are two program pathways, Home Efficiency Rebates  
15 (“HER”) and the Home Electrification and Appliance Rebates (“HEAR”). The HER  
16 pathway is a whole-home focused offering that is based on energy savings targets. The  
17 HEAR pathway is a point-of-sale program with income eligibility requirements. Staff has  
18 met with GEFA on several occasions to discuss these programs and potential impacts to  
19 the Company’s DSM Programs. GEFA also provided updates to the DSMWG throughout  
20 2024.

1 **Q. DO THESE IRA FUNDED PROGRAMS PROVIDE REBATES FOR MEASURES**  
2 **INCLUDED IN GEORGIA POWER'S CURRENT AND PROPOSED**  
3 **PROGRAMS?**

4 A. Yes. The HER and HEAR programs provide rebates for measures included in the current  
5 and proposed Home Energy Improvement Program (“HEIP”) and Energy Assistance for  
6 Savings and Efficiency (“EASE”) program. These measures include heat pumps, heat  
7 pump water heaters, cooking equipment, insulation, and other weatherization options. The  
8 HER whole home pathway is substantively similar to the HEIP whole house pathway  
9 offering an incentive for a percentage reduction of the overall household energy use.

10 **Q. WHAT IS THE CURRENT STATUS OF THE HER AND HEAR PROGRAMS?**

11 A. GEFA fully launched these programs in early 2025 and expects to allocate funds over the  
12 next three years.

13 **Q. DOES STAFF HAVE CONCERNS REGARDING POTENTIAL PROGRAM**  
14 **OVERLAP AND ATTRIBUTION OF SAVINGS?**

15 A. Yes. Staff met with GEFA and the Company several times over the last two years to  
16 understand how the IRA Funding will be able to complement Georgia Power’s DSM  
17 Programs. Additionally, the Company expressed concerns to Staff regarding the potential  
18 impact of the IRA funding on future EM&V for the HEIP and EASE program. Participants  
19 who receive funding from both GEFA and the Company could identify as free riders, which  
20 could negatively impact the NTG ratios for those measures and thereby lower the  
21 Company’s Additional Sum. In February 2025, the Company and Staff agreed to an

1 evaluation methodology and principles to be used during the 2026 to 2028 DSM program  
2 cycle in order to measure attribution of kWh and kW savings for measures that are jointly  
3 incentivized. If the 2026-2028 evaluated NTG ratios are lower than the NTG ratios  
4 determined in the 2023 to 2025 program cycle and the decrease in NTG ratios is due to the  
5 influence of incentives provided by GEFA, the Company will use the NTG ratios  
6 determined in the 2023 to 2025 program evaluation as long as the program design of the  
7 2029 to 2031 DSM programs are identical to or similar to the programs offered during the  
8 2023 to 2025 program cycle.

9 **Q. WHAT IMPACT ON THE COMPANY'S DSM PROGRAMS DOES STAFF**  
10 **ANTICIPATE DUE TO THE REBATES BEING OFFERED THROUGH GEFA?**

11 A. Staff expects that the IRA rebates being offered through GEFA could help increase  
12 participation in Georgia Power's DSM Programs. Because there is some overlap in the  
13 delivery of the GEFA and Georgia Power DSM Programs, Staff expects that the  
14 Company's programs will benefit through increased customer awareness, rebates  
15 available, participation, and energy savings. The IRA funding also provides money for  
16 contractor training to increase the contractor participation network.

17 **VI. COMPANY'S PROPOSED CHANGES TO THE CURRENT AND PROPOSED**  
18 **DSM PROGRAMS**

19 **Q. PLEASE DESCRIBE THE COMPANY'S PROPOSED DSM CASE(S).**

1 A. The Company has developed two cases for the Commission’s consideration. In accordance  
2 with the Commission’s Order Adopting Stipulation in the Vogtle Prudency Proceeding in  
3 Docket No. 29849 (“Vogtle Prudence Order”), the Company developed the DSM Proposed  
4 Case with a savings target of at least 0.75% of total retail sales. Additionally, the Company  
5 developed a Capacity and Affordability Case sensitivity to assist the Commission's  
6 consideration of how to best balance energy savings and customer rate impacts (2025 DSM  
7 Application, Page 1). The Company supports the adoption of the Proposed Case but stated  
8 that the increased spending was a policy decision (Transcript (“Tr.”) at 0828).

9 **Q. PLEASE PROVIDE MORE DETAILS REGARDING THE COMPANY’S**  
10 **PROPOSED CASE.**

11 A. In the Proposed Case, the Company requests a Certificate of Public Convenience and  
12 Necessity (“Certificate”) for one new DSM program, decertification of three previously  
13 certified DSM programs, amendments to the certificates of eight previously certified DSM  
14 programs, and waiver of Commission Rule 515-3-4-.04(4)(a)3 for four currently certified  
15 DSM programs presented in the Company’s 2025 DSM Application, Docket No. 56003.

16 **Q. UNDER WHAT GEORGIA STATUTE AND COMMISSION RULE IS THE**  
17 **COMPANY MAKING THESE REQUESTS?**

18 A. The Company has requested to amend the current DSM programs pursuant to O.C.G.A §  
19 46-3A-3 through 46-3A-5 and Commission Rule 515-3-4-.09(01) and 515-3-4-.10.

1 **Q. FOR WHICH CURRENT DSM PROGRAMS IS THE COMPANY REQUESTING**  
2 **DECERTIFICATION?**

3 A. The Company has requested to decertify the Residential Refrigerator Recycling Plus,  
4 Residential Specialty Lighting and the Commercial Behavioral programs.

5 **Q. WHY HAS THE COMPANY REQUESTED DECERTIFICATION OF THE**  
6 **RESIDENTIAL REFRIGERATOR RECYCLING PLUS PROGRAM?**

7 A. The Company has stated that it is requesting decertification because appliance recycling is  
8 no longer cost effective as appliances recycled in recent years are of a newer vintage,  
9 resulting in lower energy savings, while the cost of recycling has either remained the same  
10 or increased. In addition, there are limited appliance recycling vendors in business making  
11 it difficult to implement a recycling program (IRP Main Document (“Doc.”), Page (p.) 48).

12 **Q. WHY HAS THE COMPANY REQUESTED THE DECERTIFICATION OF THE**  
13 **RESIDENTIAL SPECIALTY LIGHTING PROGRAM?**

14 A. The Company has stated that it is requesting decertification because market transformation  
15 and federal regulations have made energy-efficient lighting measures readily available to  
16 all customers (IRP Main Doc., p. 48). In the 2024 Residential EM&V Report it states that  
17 federal lighting standards effectively ended the sale of inefficient general standard lamps  
18 in the United States (p. 55). The verified net electric energy savings from bulbs offered in  
19 this program after the EISA Backstop was implemented was less than 1% of the expected  
20 gross kWh savings for all program channels (Residential EM&V Report, p. 64). Therefore,  
21 there are no expected future savings attributable to a residential lighting program.

1 **Q. WHY HAS THE COMPANY REQUESTED DECERTIFICATION OF THE**  
2 **COMMERCIAL BEHAVIORAL PROGRAM?**

3 A. The Company has requested decertification because the third-party evaluation found the  
4 program not cost effective. Per the approved 2022 IRP/DSM Stipulation and the program  
5 evaluation findings, Staff requested the Company suspend implementation of the program  
6 in 2025 pending decertification in the 2025 IRP (IRP Main Doc., p. 49).

7 **Q. DOES STAFF RECOMMEND APPROVAL OF THE COMPANY'S**  
8 **DECERTIFICATION REQUESTS?**

9 A. Yes. Staff recommends approval of the Company's request for decertification of the  
10 Residential Refrigerator Recycling Plus, Residential Specialty Lighting, and Commercial  
11 Behavioral Programs.

12 **Q. PLEASE DESCRIBE THE PROGRAM FOR WHICH THE COMPANY HAS**  
13 **REQUESTED A NEW CERTIFICATE.**

14 A. As part of the Company's Proposed Case, the Company has requested to certify the  
15 Residential Products Program. This program promotes energy efficiency products and  
16 provides financial incentives for the purchase of eligible energy efficiency measures. As  
17 proposed, the program will have multiple participation channels including instant rebates,  
18 manufacturer discounts, online retail, as well as distributor and contractor incentives.

19 **Q. DOES STAFF RECOMMEND APPROVAL OF THE CERTIFICATION OF THE**  
20 **RESIDENTIAL PRODUCTS PROGRAM?**

1 A. No. The Residential Products Program is not included as a program in Staff's  
2 Recommended Case. Staff's Recommended Case is discussed, in detail, in the next section  
3 of this testimony. Staff believes this program will have significant leakage and free-  
4 ridership leading to a low NTG ratio which results in lower verified kWh saved. Leakage  
5 refers to non-Georgia Power customers purchasing products that are incentivized by the  
6 Company's DSM programs. Free ridership refers to program participants who would have  
7 purchased the incentivized measures in the absence of the Residential Products Program.

8 **Q. PLEASE DESCRIBE THE COMPANY'S REQUESTED WAIVER OF THE TRC**  
9 **REQUIREMENTS FOR THE RESIDENTIAL HOME ENERGY IMPROVEMENT,**  
10 **RESIDENTIAL ENERGY ASSISTANCE FOR SAVINGS AND EFFICIENCY,**  
11 **RESIDENTIAL HOPEWORKS AND COMMERCIAL CUSTOM PROGRAMS.**

12 A. The Company's modeling results for the TRC test show a value below 1.0. Therefore, these  
13 programs fail the required threshold for inclusion in the DSM portfolio (Commission Rule  
14 515-3-4-.04(4)(a)3). The Company has requested this waiver because of the value that  
15 these programs provide to market-rate and income-qualified customers. These four  
16 programs have demonstrated high customer satisfaction and market potential.  
17 Additionally, in order to achieve the energy savings goal resulting from the Vogtle  
18 Prudence Order, these programs are needed (IRP Main Doc., pp 47-48).

19  
20 **Q. DOES THE CUSTOM PROGRAM PASS THE TRC TEST IN STAFF'S**  
21 **RECOMMENDED CASE?**

1 A. Yes. As discussed later in this testimony, Staff has developed an alternative to the  
2 Company's Proposed Case that includes a smaller Commercial Custom Program that  
3 passes the TRC test and therefore does not require a waiver of Commission Rule 515-3-4-  
4 .04(4)(a)3.

5 **Q. DOES STAFF RECOMMEND APPROVAL OF THE COMPANY'S**  
6 **COMMISSION RULE WAIVER REQUESTS?**

7 A. Yes. Staff agrees that the programs identified provide benefits to Georgia Power's  
8 customers. While the economic screening of the programs may not show benefits to  
9 customers in the near term, the programs have demonstrated verified savings and high  
10 customer satisfaction in previous years. Staff recommends approval of the Company's  
11 request for waiver of Commission Rule 515-3-4-.04(4)(a)3 for the Residential Home  
12 Energy Improvement, Energy Assistance for Savings and Efficiency, and HopeWorks  
13 Programs.

14 **Q. AS PART OF THE COMPANY'S PROPOSED CASE, FOR WHICH CURRENT**  
15 **DSM CERTIFIED PROGRAMS HAS THE COMPANY REQUESTED AMENDED**  
16 **CERTIFICATES?**

17 A. The Company has requested to amend the certificates for the Residential Behavioral,  
18 Residential DR, Residential HEIP, Residential EASE, Residential HopeWorks,  
19 Commercial Prescriptive, Commercial Custom, and Small Commercial Direct Install  
20 Programs.

1 **Q. PLEASE DESCRIBE THE COMPANY’S PROPOSED AMENDMENT TO THE**  
2 **RESIDENTIAL BEHAVIORAL PROGRAM.**

3 A. The Company has proposed to amend the certificate of the Residential Behavioral Program  
4 to update program economics. This program provides customer specific information  
5 through digital or paper Home Energy Reports to help customers understand their energy  
6 usage, how to save energy and reduce bills, and promotes participation in other certified  
7 DSM programs.

8 **Q. PLEASE DESCRIBE THE COMPANY’S PROPOSED AMENDMENT TO THE**  
9 **RESIDENTIAL DR PROGRAM.**

10 A. The Company has proposed to amend the certificate of the Residential DR Program to  
11 update program economics, increase participation, offer an increased enrollment incentive,  
12 and allow for additional devices to be included in program participation. This program  
13 provides DR through enrolled devices, predominately thermostats, that can be controlled  
14 during times of high demand. In return, customers receive an enrollment incentive to  
15 encourage participation.

16 **Q. PLEASE DESCRIBE THE COMPANY’S PROPOSED AMENDMENT TO THE**  
17 **HEIP.**

18 A. The Company has proposed to amend the certificate of the Residential HEIP to update  
19 program economics, increase participation, and expand measure offerings. This program  
20 promotes lasting energy efficiency improvements in new and existing homes by providing  
21 financial incentives for a variety of measures. There are two participation pathways, a

1 whole-home approach and an individual improvement(s) approach. The whole-home  
2 approach consists of the installation of a combination of measures targeting an energy  
3 reduction with rebates based on the overall reduction in the home's electrical energy  
4 consumption. The individual improvements approach includes the installation of one or  
5 more individual measures with defined rebates and associated energy savings.

6 **Q. PLEASE DESCRIBE THE COMPANY'S PROPOSED AMENDMENT TO THE**  
7 **EASE PROGRAM.**

8 A. The Company has proposed to amend the certificate of the Residential EASE Program to  
9 update program economics, update available measures, increase participation goals, and  
10 expand program eligibility. This program promotes energy efficiency in existing income-  
11 qualified and moderate-income single-family homes, manufactured homes, as well as  
12 Multi-Family properties. The program also allows members of the community the  
13 opportunity to donate funds and assist neighbors in need of home energy efficiency  
14 upgrades or improvements.

15 The program has been updated to expand participant eligibility. Previously, the EASE  
16 program was only available for income-qualified households who earn below 200% of the  
17 Federal poverty guidelines. In order to increase participation, moderate-income households  
18 will be eligible with the income level eligibility developed during program implementation  
19 based on market best practices in coordination with other energy efficiency programs,  
20 philanthropic groups and governmental programs (Company's Direct Testimony, p. 21).

1 **Q. PLEASE DESCRIBE THE COMPANY’S PROPOSED AMENDMENT TO THE**  
2 **COMMERCIAL PRESCRIPTIVE PROGRAM.**

3 A. The Company has proposed to amend the certificate of the Commercial Prescriptive  
4 Program to update the available measures and change the energy savings targets. The  
5 savings targets and budgets for the program are significantly higher when compared to the  
6 energy savings targets approved in the 2022 IRP/DSM Certification. Energy savings from  
7 lighting measures comprise the vast majority of the projected savings for this program.

8 **Q. PLEASE DESCRIBE THE COMPANY’S PROPOSED AMENDMENT TO THE**  
9 **COMMERCIAL CUSTOM PROGRAM.**

10 A. The Company has proposed to amend the certificate of the Commercial Custom Program  
11 to update the available measures and change the energy savings targets. This program  
12 provides a pathway for comprehensive energy efficiency projects in existing and new  
13 facilities that go beyond discrete measures and common measure-level efficiency practices  
14 that are offered in the Commercial Prescriptive Program.

15 **Q. PLEASE DESCRIBE THE COMPANY’S PROPOSED AMENDMENT TO THE**  
16 **SCDI PROGRAM.**

17 A. The Company has proposed to amend the certificate of the SCDI Program to update  
18 program economics, update available measures, and significantly increase energy savings  
19 targets.

1 **Q. DOES STAFF RECOMMEND APPROVAL OF THE AMENDED CERTIFICATES**  
2 **AS REQUESTED BY THE COMPANY?**

3 A. Yes. Staff recommends approval of amended certificates for the Residential Behavioral,  
4 Residential DR, Residential HEIP, Residential EASE, Residential HopeWorks,  
5 Commercial Prescriptive, Commercial Custom and SCDI Programs.

6 **Q. IN ITS FILINGS, DID THE COMPANY REQUEST THE CONTINUATION OF**  
7 **THE AUTOMATED BENCHMARKING TOOL?**

8 A. No. The Company has not requested to continue the ABT.

9 **Q. DID THE COMPANY PROVIDE A REASON WHY THEY DID NOT REQUEST**  
10 **TO CONTINUE THE ABT?**

11 A. No. The Company's 2025 IRP and DSM Certification filings did not discuss the  
12 continuation of the ABT. The Company stated that the 2019 IRP evaluation of the ABT  
13 indicated that use of the tool did not lead to any energy savings realized across the low  
14 number of participants, which decline year over year. The Company concluded that the  
15 tool does not result in energy savings; therefore, the Company does not believe that  
16 continued spending on the ABT is warranted (Company Response to STF-PIA-2-51).

17 **Q. DOES STAFF BELIEVE THAT THE ABT SHOULD BE CONTINUED FOR THE**  
18 **2026 TO 2028 PROGRAM CYCLE?**

19 A. Yes. Staff has reviewed the evaluation of the ABT and agrees with the Company that there  
20 are few direct savings attributable to the tool. However, Staff believes that the ABT

1 provides benefits for building owners, including local governments, to be able to access  
2 their aggregated whole building electricity usage data without significant barriers or costs.  
3 The ABT provides building owners and property managers with aggregated energy  
4 consumption data for buildings with more than five tenants or where property managers  
5 secure participation from buildings with fewer than five tenants. Providing easy access to  
6 aggregated whole building electricity consumption data for building owners and operators  
7 is important so that customers can better review and manage their electricity usage.

8 For buildings for which no single account comprises over 50 percent of the building energy  
9 usage, energy usage data will be automatically aggregated. For buildings where one  
10 account comprises over 50 percent of the building energy usage, building owners or  
11 property managers will need to get and submit consent and authorization from each of the  
12 tenants.

13 **Q. WHAT IS THE ESTIMATED ANNUAL COST TO CONTINUE THE ABT?**

14 A. The actual costs for the ABT were \$133,488 for 2023 and \$137,496 for 2024 with an  
15 estimated cost for 2025 of up to \$200,000 (Company's Response to STF-PIA-2-5). Staff  
16 expects the annual cost to be similar to maintain the ABT for the next 3 years.

17 **Q. DOES STAFF RECOMMEND THE CONTINUATION OF THE ABT?**

18 A. Yes. Staff recommends the continuation of the ABT for the 2026-2028 program cycle.

19 **Q. WHAT ENERGY AND DEMAND SAVINGS ARE PROJECTED TO RESULT**  
20 **FROM THE COMPANY'S PROPOSED CASE?**

1 A. The Company’s Proposed Case, will result, on average, in approximately 741 gigawatt  
 2 hours (“GWh”) of incremental annual energy reduction and 224.6 megawatts (“MW”) of  
 3 peak demand reduction for the period of 2026 to 2028 for a 3-year cumulative energy  
 4 savings of 2,223 GWh and 478.4 MW of demand savings (DSM Application, Appendix  
 5 D-1, D-2). The proposed energy savings targets are significantly higher than the energy  
 6 savings targets that were approved in the 2022 IRP/DSM Order and are intended to save  
 7 0.75% of total retail sales. For the Company’s Proposed Case 111-MG0 scenario, the net  
 8 present value (“NPV”) savings to the Company’s customers are \$626 million for 2026 to  
 9 2037.

10 **Q. WHAT DSM SAVINGS AS A PERCENTAGE OF TOTAL RETAIL SALES HAS**  
 11 **THE COMPANY ACHIEVED FOR THE LAST FIVE YEARS?**

12 A. The Company provided the following chart which shows the DSM energy savings achieved  
 13 as a percentage of total retail sales from 2019-2024 (Company Response to STF-PIA-2-8).

Georgia Power DSM MWh Savings as Percent of Total Retail Sales			
Year	Georgia Power Total Retail Sales (MWh)	Energy Savings Achieved by Demand Side Management (DSM) Programs (MWh)	DSM Energy Savings Percentage of Total Retail Sales
2019	84,700,194	391,092	0.46%
2020	80,814,387	240,513	0.30%
2021	82,944,041	303,724	0.37%
2022	85,956,486	428,659	0.50%
2023	84,130,035	278,502	0.33%

2024	87,225,926	425,662	0.49%
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1 **Q. IN THE 2025 IRP FILING, DID THE COMPANY ALSO PROVIDE**  
2 **INFORMATION FOR OTHER DSM CASES?**

3 A. Yes. In the 2025 IRP filing, the Company has provided information for three additional  
4 DSM cases, Capacity and Affordability, Advocacy and Supply-Side Cases.

5 **Q. PLEASE DESCRIBE THE THREE DSM SENSITIVITY CASES.**

6 A. The Company's Capacity and Affordability Case achieves incremental annual savings of  
7 309 GWh, a three-year cumulative energy savings of 927 GWh, and 468 MW of demand  
8 savings. This case offers fewer DSM programs than the Company's Proposed Case. For  
9 the Residential portfolio, the DR and Behavioral programs are modeled at the same energy  
10 savings targets as the Company's Proposed Case. The energy savings targets for the EASE  
11 and HopeWorks Programs are much lower in this Case. The HEIP and Residential Products  
12 Program are not included.

13 For the Commercial portfolio, only the Prescriptive and SCDI programs are included. The  
14 annual energy savings targets of 308 GWh are significantly less than what has been  
15 achieved over the past several years while the proposed budgets are \$30 million more than  
16 the budgets approved in the 2022 IRP/DSM Order Adopting Stipulation (Technical  
17 Appendix Vol 1, 3 2025 IRP DSM Case Summary Data MGO, Capacity and Affordability  
18 Tab). For the Capacity and Affordability Case, the NPV savings to the Company's  
19 customers are \$1.372 billion for 2026 to 2037.

1 The DSMWG Advocacy Case includes the same DSM programs as the Company's  
2 Proposed Case with the inclusion of an Industrial program. This case is designed to achieve  
3 incremental annual savings of 756 GWh and 3-year cumulative energy savings of 2,270  
4 GWh and 679.8 MW of demand savings (Technical Appendix Vol 1, 3 2025 IRP DSM  
5 Case Summary Data MGO, DSMWG Advocacy Case Tab). For the DSMWG Advocacy  
6 Case 111-MG0, the NPV savings to the Company's customers are \$693 million for 2026  
7 to 2037.

8 The Supply-Side Case was required as part of the 2022 IRP/DSM Stipulation and was  
9 developed by bundling measures into programs that were selectable as a resource in the  
10 Aurora model. This process allows the Aurora model to select cost-effective DSM or other  
11 generation resources to meet customers' future needs for electricity. There was a significant  
12 difference between the MGO and the 111-MGO sensitivities. The Supply-Side 111-MGO  
13 Case achieves incremental annual savings of 767 to 780 GWh and a three-year cumulative  
14 energy savings of 2,319 GWh and 403 MW of demand savings. For the 111-MGO Case,  
15 all programs have positive NPV savings for the system and would save approximately  
16 0.78% of total retail sales each year for the period 2026 to 2037.

17 For the Residential portfolio, Aurora selected the Residential Behavioral and EASE  
18 Programs for each year from 2026-2028. The model selected the Residential Products  
19 Program in 2028 only and the HEIP in 2026 and 2027. The Residential DR Program was  
20 not selected in the years 2026-2028 due to the Aurora model not identifying a capacity  
21 need in those years. However, the modeling results showed that a robust and aggressive  
22 DSM portfolio is a cost-effective option to fill future energy and capacity needs. For the

1 111-MG0 Case, Aurora selected a Commercial portfolio that achieves slightly more GWh  
2 energy savings than the Company's Proposed Case and includes the same three DSM  
3 programs. These modeling results illustrate that the Company can cost-effectively achieve  
4 significantly more electricity savings than what are included in the Capacity and  
5 Affordability Case.

6 **Q. PLEASE DESCRIBE HOW THE COMPANY'S PROJECTED KWH SAVINGS**  
7 **FROM THE PROPOSED CASE FOR 2026 TO 2028 COMPARES TO**  
8 **PREVIOUSLY APPROVED KWH SAVINGS TARGETS AND ACTUAL LEVELS**  
9 **OF KWH SAVINGS DURING 2017 TO 2024.**

10 A. Staff Exhibit\_BCS-7 provides a comparison of the projected incremental annual kWh  
11 savings for the Company's Proposed Case for 2026 to 2028 compared to the actual  
12 incremental annual kWh savings achieved by the Company's programs for 2017 to 2024.  
13 This exhibit shows that the Company's Proposed Case saves 0.75% of retail sales for the  
14 period of 2026 to 2028, which is significantly higher than what the Company has achieved  
15 in the historical period from 2017 to 2024. Staff obtained the historical kWh savings data  
16 for 2017 to 2024 from the Company's Quarterly DSM reports filed under Docket Nos.  
17 40162, 42311 and 44161. The 2026-2028 proposed kWh savings for the Company's  
18 Proposed Case were obtained from Docket No. 56003, DSM Application. Staff  
19 Exhibit\_BCS-7 also shows that the Company exceeded the projected kWh energy savings  
20 targets every year from 2017-2019. However, since 2020 the Company's DSM programs  
21 have failed to achieve the overall energy savings targets.

1 **Q. PLEASE DESCRIBE HOW THE COMPANY’S PROJECTED DSM SPENDING**  
2 **FOR 2026 TO 2028 COMPARES TO ACTUAL AND PROJECTED LEVELS OF**  
3 **DSM SPENDING OVER PRIOR YEARS.**

4 A. As shown in Staff Exhibit\_BCS-8, the Company’s proposed DSM program spending for  
5 2026 to 2028 is a significant increase of \$487.3 million dollars annually compared to the  
6 approved 2023-2025 DSM budgets. The Company has consistently spent significantly less  
7 than its approved budget on the overall DSM portfolio. For 2017-2024, the Company only  
8 spent an average of 80% of its approved budget.

9 **Q. DOES STAFF HAVE CONCERNS WITH THE COMPANY’S PROPOSED DSM**  
10 **BUDGET?**

11 A. Yes. The DSM budgets for 2026 to 2028 for the Company’s Proposed Case are  
12 significantly higher than the approved budgets from the 2022 IRP and would lead to a  
13 significant increase in the Residential and Commercial DSM tariffs. After conducting a  
14 detailed analysis of the Company’s proposed budgets and energy savings targets, Staff has  
15 developed its Recommended Case along with a Recommended DSM budget. These  
16 recommendations will be discussed in great detail in the next section of this testimony.

17 **VII. STAFF’S RECOMMENDED CHANGES TO THE COMPANY’S PROPOSED**  
18 **CASE AND BUDGETS**

19 **Q. IS STAFF RECOMMENDING THE SUPPLY-SIDE CASE AS THE**  
20 **RECOMMENDED DSM CASE FOR 2026 TO 2028?**

1 A. No. Staff is not recommending approval of the Supply-Side Case for several reasons  
2 discussed below:

3 • Based on an analysis of historical and other data, Staff finds that the incentive and non-  
4 incentive costs that the Company included in the Supply-Side Case are too high for the  
5 kWh and kW savings proposed in this case.

6 • The Supply-Side Case 111-MG0 scenario selected two Residential programs, Products  
7 and HEIP, in only one of the next three years. Having DSM programs start and stop is  
8 not a practical implementation strategy.

9 • The Supply-Side Case MG0 scenario only selected the Residential Behavioral  
10 program. There are several Residential programs offered in Staff's Recommended  
11 Case.

12 • The Supply-Side Case did not include the Residential DR program due to a lack of  
13 capacity need in the short term. This program is included in all other DSM Cases  
14 including Staff's Recommended Case.

15 • The Supply-Side Case did not include the HopeWorks Program. This program is  
16 included in Staff's Recommended Case.

17 • The program budgets for the Supply-Side Case do not consider the IRA funding that is  
18 currently available from GEFA. Staff expects increased participation in two current and  
19 future DSM programs due to shared measures.

20 • Staff's Recommended Case provides a more realistic overall DSM budget.

21 **Q. IS STAFF RECOMMENDING MODIFICATIONS TO THE COMPANY'S**  
22 **PROPOSED CASE AND BUDGET?**

1 A. No. Staff is making recommendations to modify the Company's Proposed Capacity and  
2 Affordability Case along with the associated budget.

3 **Q. PLEASE DESCRIBE STAFF'S RECOMMENDATIONS TO MODIFY THE**  
4 **COMPANY'S CAPACITY AND AFFORDABILTY CASE AND ASSOCIATED**  
5 **ENERGY SAVINGS TARGET.**

6 A. In the development of Staff's Recommended Case, Staff conducted a thorough review of  
7 all the Cases modeled and presented by the Company in its filings. Staff designed a Case  
8 that seeks to increase the energy and demand savings goals outlined in the Company's  
9 Proposed Capacity and Affordability Case while being mindful of past DSM program  
10 performance and approved budgets. Staff's Recommended Case consists of five  
11 Residential programs and three Commercial programs. Staff's Recommended Case MWh  
12 energy savings targets are provided in Staff Exhibit\_BCS-9.

13 **Q. WHAT ARE STAFF'S RECOMMENDATIONS REGARDING THE BUDGETS**  
14 **FOR STAFF'S RECOMMENDED CASE?**

15 A. In the development of the budgets for Staff's Recommended Case, Staff conducted a  
16 thorough review of the budgets of all Cases modeled and presented, as well as the  
17 Company's historical spending. Regarding the incentive portion of Staff's Recommended  
18 budget, Staff reduced the incentive budgets for most programs based on a rigorous analysis  
19 of the Company's historical and approved DSM spending and kWh savings. Staff adjusted  
20 the non-incentive costs by program and category, including Administration, Marketing,  
21 and Implementation, to reflect whether the DSM Program was growing or contracting in

1 comparison to the Company's Capacity and Affordability Case. Staff's proposed non-  
2 incentive budgets have a much lower cost per first-year kWh saved than the non-incentive  
3 budgets proposed in the Company's Proposed Case and the Company's Capacity and  
4 Affordability Case. Staff's Recommended Case budget also includes increased costs due  
5 to inflation and increases in energy savings targets, as compared to the 2023 to 2025  
6 program cycle. Staff's Recommended Case budget is provided in Staff Exhibit\_BCS-10.

7 **Q. HOW DOES STAFF'S RECOMMENDED CASE COMPARE TO THE**  
8 **COMPANY'S PROPOSED CASE AND CAPACITY AND AFFORDABILITY**  
9 **CASE?**

10 A. For Staff's Recommended Case, the MWh savings are increased for the Residential  
11 programs by 44.1 GWh per year and 149.7 GWh per year for Commercial programs in  
12 comparison to the Company's Proposed Capacity and Affordability Case. When only  
13 considering program spending, Staff's Recommended Case costs \$0.275 per first-year  
14 kWh saved compared to \$0.387 per first-year kWh saved for the Company's Capacity and  
15 Affordability Case. For reference, the Company's Proposed Case is designed to cost \$0.753  
16 per first-year kWh saved.

17 **Q. WHAT ARE THE COST-EFFECTIVENESS RESULTS OF STAFF'S**  
18 **RECOMMENDED CASE?**

19 A. The TRC and RIM benefit/cost ratios for Staff's Recommended Case for the 2026 to 2028  
20 program cycle are provided below.

**Comparison of RIM and TRC benefit/cost ratios for 2026-2028**

	Company's Proposed Case		Staff's Recommended Case	
	RIM	TRC	RIM	TRC
<b>Residential</b>	0.38	0.76	0.45	0.77
<b>Commercial</b>	0.52	1.22	0.71	1.32
<b>Overall</b>	<b>0.43</b>	<b>0.99</b>	<b>0.64</b>	<b>1.13</b>

1 **Q. DOES STAFF HAVE ANY OTHER CONCERNS REGARDING THE**  
2 **COMPANY'S PROPOSED CASE?**

3 A. Yes. The Company's Proposed Case has an approximate budget of \$600 million per year,  
4 which is over six times the currently approved DSM budget, which averages \$90.7 million  
5 per year. The Company's Proposed Case is designed to provide over \$463 million in  
6 incentives annually compared to \$38 million actually spent in 2024. The non-incentive  
7 costs for the Company's Proposed case average \$89.9 million for the next three years. In  
8 comparison for 2024, the Company spent \$26.2 million on non-incentive costs. While Staff  
9 recognizes that the Company's Proposed Case has higher savings targets and that some  
10 prior measures are no longer viable to include in current programs, the proposed budget  
11 increases do not align with current program spending or past Commission approved DSM  
12 spending. The Company's Proposed Case requires spending of more than six times any  
13 previously approved amount. Staff does not believe that the Company's Proposed Case  
14 budgets are aligned with Commission policy and precedent.

15 **VIII. GEORGIA POWER PROPOSED OTHER DSM RELATED ACTIVITIES**

16 **Q. HAS THE COMPANY PROPOSED CHANGES TO ITS CURRENTLY**  
17 **APPROVED OTHER DSM RELATED ACTIVITIES?**

1 A. For most categories, no. The Company has proposed the same budgets that were approved  
2 in the 2022 IRP Order for all Other DSM related activities including the pilot budgets, the  
3 Education Initiative-Learning Power, and the Energy Efficiency Consumer Awareness  
4 (DSM Application Appendix C-2). The total budget for these activities is \$12.6 million  
5 annually and is the same for all DSM cases. The Company has proposed an increase for  
6 the Cross Cutting and Evaluation Costs when compared to the 2022 IRP/DSM  
7 Certification.

8 Staff recommends approval of the total three-year budget of \$4,376,200 for Evaluation and  
9 \$9,963,100 for Cross Cutting as provided in the Company's Capacity and Affordability  
10 Case. These amounts are higher than the amounts approved in the 2022 IRP/DSM  
11 Certification to account for inflation and increased proposed energy savings targets. Also,  
12 Staff's Recommended Case has eight programs that require evaluation compared to eleven  
13 programs in the previous cycle mitigating the need for larger budgets.

14 **Q. PLEASE DISCUSS THE EDUCATION INITIATIVE LEARNING POWER**  
15 **PROGRAM AND ENERGY EFFICIENCY CONSUMER AWARENESS THAT IS**  
16 **INCLUDED IN THE COMPANY'S DSM BUDGET.**

17 A. The Learning Power program began in July 2011 and is an energy efficiency education  
18 program for students in grades K-12. In the 2016 IRP and DSM Certification Final Order,  
19 an annual budget of \$3 million was approved. In the 2019 IRP and DSM Certification Final  
20 Order, the annual budget for the Learning Power program was increased to \$4 million. In  
21 the 2022 IRP and DSM Certification Final Order, the annual budget for the Residential and  
22 Commercial Energy Efficiency Consumer Awareness budgets were approved at \$4.5

1 million and \$1.1 million, respectively. In the 2025 IRP and DSM filing, the Company has  
2 requested a continuation of those budget amounts for these initiatives.

3 **Q. WHAT IS STAFF'S RECOMMENDATION REGARDING THE EDUCATION**  
4 **INITIATIVE-LEARNING POWER PROGRAM AND THE RESIDENTIAL AND**  
5 **COMMERCIAL ENERGY EFFICIENCY CONSUMER AWARENESS**  
6 **BUDGETS?**

7 A. Staff recommends continuation of the Education Initiative-Learning Power Program at \$4  
8 million for each year for the 2026-2028 program cycle. Staff also recommends a  
9 continuation of the Residential and Commercial Energy Efficiency Consumer Awareness  
10 at \$4.5 million and \$1.1 million, respectively, for the 2026-2028 program cycle.

11 **Q. PLEASE DESCRIBE THE COMPANY'S REQUEST FOR A PILOT BUDGET.**

12 A. The Company has proposed an annual budget of \$1.5 million for Residential pilots and  
13 \$1.5 million for Commercial pilots for the 2026-2028 program cycle resulting in a total  
14 pilot budget request of \$3 million per year. This request is the same as the budgets that  
15 were approved in the 2022 IRP/DSM Certification.

16 **Q. DID THE COMPANY SPEND THE ENTIRE PILOT DURING 2023 AND 2024?**

17 A. No. In 2023, the Company spent \$1,569,084 on Residential pilots and \$967,354 on the  
18 Commercial pilots. In 2024, the Company spent \$967,168 on Residential pilots and  
19 \$1,354,958 on Commercial pilots. The total pilot budget spent for 2023 and 2024 was  
20 \$2,536,252 and \$2,322,312, respectively.

1 **Q. HAS THE COMPANY IDENTIFIED SPECIFIC PROJECTS FOR WHICH THE**  
2 **PROPOSED PILOT BUDGET WILL BE USED?**

3 A. No. In Docket No. 56003, DSM Application, the Company provided limited details on  
4 specific potential pilots. The Company launched seven residential and six commercial  
5 pilots with the budgets approved in the 2022 IRP/DSM Certification (IRP Main Doc., p.  
6 22). The Company is required to seek Staff input before proposed pilots are implemented  
7 and throughout the course of the pilot (Order adopting the 2022 IRP/DSM Stipulation).

8 **Q. WHAT IS STAFF’S RECOMMENDATION REGARDING THE PROPOSED**  
9 **PILOT BUDGET?**

10 A. Staff recommends that the Commission approve an annual pilot budget of \$3 million to be  
11 divided evenly between the Commercial and Residential pilots for each year of the 2026-  
12 2028 program cycle. Staff further recommends that the Company seeks Staff input before  
13 proposed pilots are implemented and throughout the course of the pilot.

14 **IX. ADDITIONAL SUM**

15 **Q. IS THERE A GEORGIA STATUTE THAT ADDRESSES ADDITIONAL SUM?**

16 A. Yes. While we are not attorneys, we understand that Official Code of Georgia (“OCGA”)  
17 § 46-3A-9 states “The approved or actual cost, whichever is less, of any certificated  
18 demand-side capacity option shall be recovered by the utility in rates, along with an  
19 additional sum as determined by the commission to encourage the development of such

1 resources. The commission shall consider lost revenues, if any, changed risks, and an  
2 equitable sharing of benefits between the utility and its retail customers.”

3 **Q. DOES THE COMMISSION’S IRP RULE ALLOW GEORGIA POWER TO**  
4 **REQUEST AN “ADDITIONAL SUM” RELATING TO THE ENERGY**  
5 **EFFICIENCY AND DEMAND RESPONSE PROGRAMS FOR WHICH IT IS**  
6 **SEEKING CERTIFICATION BY THE COMMISSION?**

7 A. Yes. Commission IRP Rule 515-3-4-.11(3)(b) states “The certified or actual cost,  
8 whichever is less, of any certificated demand-side capacity option shall be recovered by  
9 the utility in rates, along with an Additional Sum as determined by the Commission to  
10 encourage the development of such resources. The Commission shall consider lost  
11 revenues, if any, changed risks, and an equitable sharing of benefits between the utility and  
12 its retail customers.”

13 **Q. DOES STAFF AGREE THAT THE COMPANY SHOULD RECEIVE AN**  
14 **ADDITIONAL SUM FOR IMPLEMENTING THE ENERGY EFFICIENCY**  
15 **PROGRAMS APPROVED IN THE COMPANY’S 2025 IRP AND DSM**  
16 **CERTIFICATION?**

17 A. Yes. Staff believes that an Additional Sum or performance incentive continues to be an  
18 essential component of the regulatory framework. It is essential to provide the Company  
19 with a clear financial interest in the success of energy efficiency and DR programs in the  
20 Company’s service area. Staff believes that the Additional Sum incentive plays a key role  
21 in the Company’s decision making and planning processes relating to the IRP.

1 **Q. PLEASE DESCRIBE THE CURRENT DSM ADDITIONAL SUM**  
2 **METHODOLOGY.**

3 A. Under the Additional Sum methodology approved by the 2022 Order Adopting Stipulation,  
4 Georgia Power receives an Additional Sum equal to 9.5% of actual net benefits based on  
5 net energy savings from the Program Administrator Cost Test (“PACT”) per program.  
6 Once the Additional Sum amount as calculated exceeds the annual program costs, the  
7 portion of the Additional Sum that exceeds the program cost shall be calculated based on  
8 4% of the actual net benefits based on net energy savings from the PACT. This is the same  
9 methodology that was approved in the 2016 and 2019 IRP Orders with the percentage of  
10 shared savings increasing from 8.5 percent to 9.5 percent in the 2022 IRP/DSM Order.

11 **Q. PLEASE DESCRIBE THE ADDITIONAL SUM MECHANISM THAT GEORGIA**  
12 **POWER COMPANY HAS REQUESTED TO RECEIVE FOR ITS PROPOSED**  
13 **CASE.**

14 A. The Company has requested an Additional Sum equal to \$.04 per first-year kWh saved  
15 based on total net energy savings of the Company’s certified energy efficiency programs  
16 (DSM Application, Page 5).

17 **Q. PLEASE COMPARE THE AMOUNT OF ADDITIONAL SUM THAT THE**  
18 **COMPANY HAS EARNED OVER THE PREVIOUS FIVE YEARS TO THE**  
19 **COMPANY’S PROPOSED METHODOLOGY.**

20 A. As shown in Staff Exhibit\_BCS-11, the Company has earned an average of \$8.25 million  
21 in Additional Sum over the previous five years (2020-2024). For the Residential portfolio,

1 the average was \$1.33 million per year and for the Commercial portfolio, the average was  
2 \$7.11 million per year. The Company has proposed to earn on average \$29.64 million per  
3 year, with \$9.20 million from the Residential portfolio and \$20.44 million from the  
4 Commercial portfolio (DSM Application, Appendix F).

5 **Q. DOES STAFF BELIEVE THAT THE COMPANY'S PROPOSED ADDITIONAL**  
6 **SUM REQUEST IS REASONABLE?**

7 A. No. The Commission's IRP rule already provides the Company with 100% cost recovery  
8 for prudently incurred expenditures on energy efficiency programs, and the Commission  
9 has an DSM Additional Sum mechanism in place that has been approved by the  
10 Commission in the 2016, 2019 and 2022 Commission IRP/DSM Orders.

11 **Q. DOES STAFF HAVE OTHER CONCERNS WITH THE COMPANY'S**  
12 **PROPOSED ADDITIONAL SUM METHODOLOGY?**

13 A. Yes. The Additional Sum methodology requested by the Company does not provide for  
14 an equitable sharing of benefits between the Company and its customers. For example, if  
15 electric avoided costs decrease by 25% and program net benefits decrease significantly, the  
16 Company's proposed Additional Sum would remain the same as it would be with higher  
17 avoided costs, significantly reducing the net benefits shared with customers. The  
18 Company's Additional Sum amount would be unrelated to decreases in electric avoided  
19 costs. Likewise, if the Company's spending on its DSM programs doubles, all other things  
20 held constant, and program net benefits shrink, the Company's Additional Sum will be the  
21 same as it would be with lower program spending, causing the net benefits shared with

1 customers to decline significantly. The Company's proposed Additional Sum methodology  
2 eliminates any incentive for the Company to control or reduce program delivery costs.

3 **Q. HAS STAFF PREPARED AN ESTIMATE OF WHAT THE ADDITIONAL SUM**  
4 **WOULD BE FOR 2026 TO 2028 USING THE CURRENT COMMISSION**  
5 **APPROVED ADDITIONAL SUM METHODOLOGY?**

6 A. Yes. Staff Exhibit\_BCS-11 provides an estimate of the Additional Sum for the Company's  
7 Proposed Case and Capacity and Affordability Case for the years 2026 to 2028 using the  
8 current Additional Sum methodology. Using this methodology, the Additional Sum for the  
9 2026 to 2028 program cycle would be \$25.78 million for the Company's Proposed Case  
10 and \$26.24 million for the Company's Capacity and Affordability Case.

11 **Q. WILL THE COMPANY'S PROPOSED ADDITIONAL SUM METHODOLOGY**  
12 **RESULT IN A HIGHER ADDITIONAL SUM THAN IF USING THE CURRENTLY**  
13 **APPROVED METHODOLOGY?**

14 A. Yes. The Additional Sum using the Company's proposed methodology results in an annual  
15 average increase of \$21.39 million per year for the 2026 to 2028 program cycle when  
16 compared to the currently approved Additional Sum methodology, as shown on Staff  
17 Exhibit\_BCS-11. The Company's proposal is to collect an Additional Sum of \$29.64  
18 million per year for the 2026 to 2028 program cycle, \$88.93 million in total. This is 344  
19 percent higher than the Additional Sum would be using the currently approved  
20 methodology.

1 **Q. ON A CENTS PER KWH BASIS, HOW MUCH HAS THE COMPANY EARNED**  
2 **OVER THE PAST TWO DSM PROGRAM CYCLES?**

3 A. The Additional Sum that the Company has earned on a cents per kWh basis since 2019 is  
4 provided below.

<b>Additional Sum Earned per kWh Saved 2019-2024</b>			
	<b>Residential</b>	<b>Commercial</b>	<b>Total</b>
2019	\$ 0.023	\$ 0.035	\$ 0.032
2020	\$ 0.019	\$ 0.030	\$ 0.026
2021	\$ 0.017	\$ 0.030	\$ 0.026
2022	\$ 0.012	\$ 0.029	\$ 0.025
2023	\$ 0.008	\$ 0.026	\$ 0.018
2024	\$ 0.009	\$ 0.036	\$ 0.029
<b>Total</b>	<b>\$ 0.014</b>	<b>\$ 0.032</b>	<b>\$ 0.026</b>

5 **Q. DOES THE COMPANY’S PROPOSED ADDITIONAL SUM METHODOLOGY**  
6 **ALSO INCENTIVIZE THE COMPANY TO IMPLEMENT ENERGY**  
7 **EFFICIENCY MEASURES THAT HAVE A SHORT USEFUL LIFE?**

8 A. Yes. The Company’s proposed Additional Sum methodology, for example, would pay the  
9 same Additional Sum amount for a measure that saves 10,000 kWh for one year and a  
10 different measure that saves 10,000 kWh each year for 30 years. As such, the Company  
11 may be incentivized to focus its efforts on implementing measures with a short useful life,  
12 such as behavioral programs and lighting measures. The Company would receive a  
13 significant Additional Sum incentive based only on first-year kWh savings and then have  
14 significantly reduced electricity savings and lost revenues, over the long-term, due to the  
15 focus on measures with short useful lives. If that happened, most of the achievable energy  
16 efficiency potential in the Company’s service area would never be realized.

1 **Q. HAS STAFF RESEARCHED ADDITIONAL SUM MECHANISMS USED FOR**  
2 **ENERGY EFFICIENCY PROGRAMS IN OTHER JURISDICTIONS?**

3 A. Yes. Staff Exhibit\_BCS-12 provides up-to-date information recently collected by Staff for  
4 DSM Shareholder Incentive Mechanisms that exist in the United States. The information  
5 provided in this exhibit describes the general methodology currently in place for  
6 calculating the level of DSM shareholder rewards or penalties in each state. There are many  
7 states that do not have a policy for offering an Additional Sum for energy efficiency  
8 programs. There are also many states where there is no opportunity for a utility to earn an  
9 additional sum on DSM related spending. The Company stated that several utilities use a  
10 similar earnings approach similar to their proposal (Company Response to STF-PIA-2-56).

11 **Q. DOES STAFF AGREE THAT THE UTILITIES IDENTIFIED BY THE COMPANY**  
12 **USE THE ADDITIONAL SUM METHODOLOGY PROPOSED BY THE**  
13 **COMPANY?**

14 A. No. Connecticut uses a complicated formula that offers a sliding scale of benefits starting  
15 at achieving 75 percent of planned savings goals with a base target of five percent for 100%  
16 savings goal achievement. The Connecticut mechanism accounts for net energy savings  
17 benefits, fuel savings, equity, type of participating homes and a variety of other metrics  
18 unlike the Company's proposal. The Kentucky utilities earn incentives based on net savings  
19 after program costs with an amount that varies by utility. This method is more similar to  
20 the current Additional Sum methodology of sharing net benefits than a dollar per kWh  
21 metric. New Hampshire uses a complicated formula that includes savings achievement but  
22 does account for net benefits and requires achievement of 65% of the planned savings goal

1 to receive any additional sum. South Dakota utilities receive a straight return based on a  
2 percentage of program budgets not savings. There may be elements that seem similar to a  
3 rate of return on savings, but the actual metrics used are not the same as what the Company  
4 has proposed.

5 **Q. BASED ON STAFF'S REVIEW OF ENERGY EFFICIENCY INCENTIVE**  
6 **MECHANISMS USED IN OTHER STATES, WHAT HAS STAFF FOUND**  
7 **REGARDING PERFORMANCE INCENTIVES?**

8 A. According to the studies that we have reviewed and our collective experience in the energy  
9 efficiency industry, the three major types of performance mechanisms that have been the  
10 most prevalent are the following:

- 11 1. Performance target incentives
- 12 2. Shared savings incentives
- 13 3. Rate of return incentives

14 The key finding from our analysis of incentive mechanisms is that numerous other states  
15 with less costly incentive mechanisms have been able to achieve actual kWh and kW  
16 savings far higher, as a percentage of annual retail kWh sales, than the reduction in kWh  
17 sales projected by the Company in this case for the 2026 to 2028 program cycle. Our  
18 research also indicates that the kWh and kW savings levels, as a percentage of total annual  
19 retail sales, being achieved by numerous other program administrators are being achieved  
20 with incentive mechanisms that are much less costly than the performance incentive  
21 proposed by the Company for the 2026 to 2028 program cycle.

1 **Q. DOES STAFF RECOMMEND THAT THE COMMISSION RETAIN THE**  
2 **CURRENT ADDITIONAL SUM METHODOLOGY?**

3 A. Yes. Staff recommends that the current Additional Sum methodology remains in place for  
4 all DSM programs except for the DSM programs focused on Income Qualified Residential  
5 Programs such as EASE and HopeWorks. The current Additional Sum methodology  
6 provides for an equitable sharing of the net benefits of the Company's DSM portfolio and  
7 properly considers the costs, benefits, and useful lives of the Company's programs. All  
8 data needed to calculate the Additional Sum using the current Commission-approved  
9 methodology is readily available from the existing data tracking and reporting done for the  
10 Company's DSM programs. The current Additional Sum methodology properly pays no  
11 Additional Sum if the net benefits of the Company's DSM programs are zero.

12 **Q. WHAT ADDITIONAL SUM METHODOLOGY DOES STAFF RECOMMEND**  
13 **FOR INCOME QUALIFIED PROGRAMS?**

14 A. Staff recommends that the Company receive an Additional Sum equal to \$.02 per first-year  
15 kWh saved based on net energy savings from the Income Qualified Residential Programs.  
16 This \$.02 per first-year kWh saved is significantly higher than the \$.014 per first-year kWh  
17 saved that the Company actually received on average for Residential DSM Programs from  
18 2019 to 2024.

1 **X. APPROVAL/NOTIFICATION PROCESS**

2 **Q. ARE THE PROGRAM PLANS PROVIDED IN THE COMPANY'S DSM**  
3 **CERTIFICATION FILING FINAL?**

4 A. No. The DSM program plans filed are not final. The DSM Application file name "3 2025  
5 DSM Program Plans" provides an outline of all the programs proposed in this IRP. On p.  
6 one it states, "Final program delivery mechanism will be developed jointly by Georgia  
7 Power and its selected program implementer(s)." Further on p. 3 it states, "Program  
8 administrative procedure requirements will be outlined during final program  
9 implementation processes with selected program implementers(s) based on specific  
10 program needs." This language is similar to what has been included in program plans for  
11 prior IRPs.

12 **Q. ONCE A PROGRAM IMPLEMENTER IS SELECTED AND THE PROGRAM**  
13 **PLANS ARE FINALIZED, DOES STAFF RECOMMEND THAT THE COMPANY**  
14 **PROVIDE THE PROGRAM PLANS TO STAFF FOR REVIEW AND**  
15 **APPROVAL?**

16 A. Yes. Staff recommends that once a program implementer is selected and program plans are  
17 drafted that these plans should be provided to Staff for review and approval prior to the  
18 implementation of the certified programs. The Company should provide Staff at least 15  
19 days for review of the Final Program Plans.

1 **XI. DSM TARIFF AND TRUE UP PROCESS**

2 **Q. CURRENTLY, IS THERE AN APPROVED TRUE-UP MECHANISM FOR THE**  
3 **DSM TARIFF?**

4 A. Yes. As part of the 2013 IRP/DSM Stipulation, the Company agreed that the DSM  
5 revenues and expenses will be trued-up on an annual basis to ensure that revenues collected  
6 from the Company's customers for DSM related activities are spent on DSM related  
7 activities. Staff and the Company worked on finalizing a DSM True-Up process which was  
8 filed in Docket No. 36499 on October 18, 2013.

9 **Q. HAS A TRUE-UP TAKEN PLACE OVER THE LAST PROGRAM CYCLE?**

10 A. Yes. The DSM costs are trued-up on an annual basis. Staff is currently reviewing the 2024  
11 DSM True-Up which was filed on March 15, 2025 in Docket No. 44161.

12 **Q. DOES STAFF RECOMMEND THAT THE COMPANY BE ALLOWED TO**  
13 **ROLLOVER UNSPENT BUDGET DOLLARS AND UNACHIEVED SAVINGS**  
14 **TARGETS TO THE FOLLOWING YEAR?**

15 A. No. Historically, the Company is expected to achieve their savings targets on an annual  
16 basis and is provided an annual budget. Staff expects the Company to be able to achieve  
17 their savings targets within the approved budget. The currently approved DSM True-Up  
18 process addresses what happens to any unspent budget dollars. Staff recommends the  
19 continuation of the current DSM True-Up process, including not allowing the rollover of  
20 unspent annual budget dollars or unrealized savings targets. The Company is allowed to

1 recover their actual spending each year as approved by the Commission during the DSM  
2 True-Up process.

3 **Q. DOES STAFF HAVE RECOMMENDATIONS FOR CHANGES TO THE TRUE-**  
4 **UP FILING?**

5 A. Yes. Staff recommends as part of the annual DSM True-Up filing that the Company also  
6 be required to provide the actual non-incentive costs by category such as Administration,  
7 Implementation, and Marketing. This information will assist Staff to better understand  
8 specific program spending and be able to track these key program metrics.

9 **XII. PROGRAM EVALUATIONS**

10 **Q. HAS THE COMPANY COMPLETED PROGRAM EVALUATIONS FOR THE**  
11 **PROGRAMS APPROVED BY THE COMMISSION IN THE 2022 IRP DOCKET?**

12 A. Yes. The Company provided Staff the Residential EM&V Report for review on July 30,  
13 2024 and the Commercial EM&V Report on July 18, 2024. The Residential evaluation was  
14 performed by Illume Advising, LLC, and the Commercial evaluation was performed by  
15 Brightline Group. The EM&V Reports covered the eleven Residential and Commercial  
16 DSM programs that were certified by the Commission in the 2022 IRP proceeding and  
17 covered activities for the 2023 and 2024 program years.

18 **Q. HAS STAFF COMPLETED ITS REVIEW OF THE EM&V REPORT?**

19 A. Yes. Staff completed its review, provided recommendations to the Company and resolved  
20 all issues relating to the Evaluation Reports in December 2024.

1 **Q. WHAT IS THE CURRENT COMMISSION POLICY REGARDING HOW**  
2 **EVALUATION RESULTS SHOULD BE APPLIED?**

3 A. Per the stipulation approved in the 2022 IRP Order, evaluation results are used  
4 prospectively for program planning, future year reported energy savings and Additional  
5 Sum Calculations, starting in the first year of the next program cycle. However, when the  
6 EM&V reports identify errors in reporting or other process issues that affect the savings  
7 for a measure, those corrections should be made as quickly as possible within the current  
8 program cycle. These types of errors are not changes to evaluated savings or NTG ratios  
9 that affect program design.

10 **Q. HAVE ALL OF STAFF'S RECOMMENDATIONS REGARDING THE**  
11 **COMPANY'S EM&V REPORT BEEN ADDRESSED AND FINALIZED?**

12 A. Yes.

13 **Q. DOES STAFF MONITOR THE COMPANY'S PROGRESS WITH**  
14 **IMPLEMENTING RECOMMENDATIONS MADE IN THE EM&V REPORTS?**

15 A. Yes. During regular monthly DSM meetings with the Company, the Staff monitors the  
16 status of the implementation of EM&V recommendations made in the evaluation reports.

17 **Q. DID THE COMPANY COMPLETE A COMMERCIAL LIGHTING HOURS OF**  
18 **USE ("HOU") STUDY AS PART OF THE 2024 EM&V REPORTS?**

19 A. Yes. As part of the Commercial evaluation report, a lighting HOU study was completed.  
20 Staff reviewed the findings and recommends using the evaluated savings and HOU to

1 inform the programs approved by the Commission. The Company agreed to track and  
2 report on the breakdown of lighting measures and lighting kWh savings with usage of 24  
3 hours a day/7 days a week versus lighting measures that are non-24/7. Staff understood that  
4 this will require additional reporting and logging of specific lighting installations for all  
5 Commercial measures to capture location and lighting hours-of-use more precisely.  
6

7 **Q. DID THE COMPANY COMPLETE AN EVALUATION OF INCOME-**  
8 **QUALIFIED SAVINGS FOR RESIDENTIAL PROGRAMS AND WHAT**  
9 **RECOMMENDATIONS WERE PROVIDED?**

10 A. Yes. As part of the Residential EM&V Report, income-qualified measures were evaluated  
11 for savings and NTG purposes. The report identified that the NTG ratio for income-  
12 qualified measures was 94% with 100% falling within the confidence window.  
13 Subsequently, Illume recommended using a 100% NTG ratio for income-qualified  
14 programs which are in line with current practice. Illume further stated that using a 100%  
15 NTG ratio for income-qualified programs is standard practice across the country.

16 **Q. DOES STAFF AGREE THAT FOR INCOME-QUALIFIED MEASURES A 100%**  
17 **NTG RATIO SHOULD BE USED?**

18 A. Staff has agreed to use a 100% NTG ratio for income-qualified programs during the 2026-  
19 2028 program cycle. Staff recommends that these measures and programs be evaluated in  
20 the next cycle to ensure that the use of 100% NTG is justified and aligns with objective  
21 findings. Staff reserves the right to address this issue during the next evaluation period.

1 **Q. DID THE COMPANY COMPLETE AND FINALIZE AN IN-SITU METERING**  
2 **STUDY FOR THE REFRIGERATOR RECYCLING PROGRAM?**

3 A. Yes. As required by the 2022 IRP Stipulation, the Company was required to conduct an in-  
4 situ metering study for the RR+ program which was completed as part of the Residential  
5 EM&V Report. The study showed declining savings from the program and was a key  
6 metric that informed the decision for the Company to request decertification of this  
7 program.

8 **Q. WHAT IS THE CURRENT COMMISSION POLICY REGARDING THE**  
9 **FREQUENCY OF DSM PROGRAM EVALUATIONS?**

10 A. The current Commission policy is that impact, process, and other evaluations of the  
11 Company's certified DSM programs are to be conducted every three years.

12 **Q. WHAT ARE STAFF'S RECOMMENDATIONS REGARDING THE**  
13 **EVALUATION OF THE DSM PROGRAMS?**

14 A. Staff recommends using the 2024 EM&V results for the DSM measures and programs  
15 approved in the 2025 IRP/DSM Application. Staff recommends the continuation of the  
16 current policy to implement the EM&V results in the first year of the next IRP cycle in  
17 2026, unless there are errors regarding the savings being used. Staff recommends the  
18 continuation of current Commission policy that requires the Company to provide detailed  
19 evaluation plans for each of the approved DSM programs within 90 days of the selection  
20 of Program Implementers for each of the certified programs. Staff recommends that if the  
21 EM&V findings or results document that the Company has made an error with reporting

1 of program or DSM measure kWh and kW savings or costs during a program cycle that  
2 such errors be immediately corrected for the reporting of program results in the current  
3 program cycle. Staff recommends the use of the 2024 EM&V Report identified NTG ratios  
4 as outlined in Staff Exhibit STF\_BCS-13.

5 **XIII. COMPLIANCE FILINGS**

6 **Q. PLEASE DESCRIBE THE COMPANY'S CURRENT REPORTING**  
7 **REQUIREMENTS AND WHETHER THE COMPANY IS IN COMPLIANCE**  
8 **WITH THESE REQUIRMENTS.**

9 A. The Company is required to file quarterly reports on its Certified Demand Side Programs.  
10 These reports include the major activities and accomplishments of each DSM program  
11 including participation levels, energy savings, demand savings, and program costs for the  
12 current quarter, year to date, and program to date. The Company is in compliance with this  
13 reporting requirement.

14 **Q. DOES STAFF MEET WITH THE COMPANY TO DISCUSS THE QUARTERLY**  
15 **REPORTS?**

16 A. Yes. Staff meets with the Company on a monthly basis to discuss energy goals, program  
17 costs, and any other pertinent DSM issues that may have impacts regarding the  
18 implementation of the Certified DSM Programs that may have arisen since the last meeting  
19 between Staff and the Company.

20 **Q. DOES THIS CONCLUDE STAFF'S TESTIMONY?**

1 A. Yes.