



Georgia

State Guide to Utility Energy Efficiency Planning



State Guide to Utility Energy Efficiency Planning: Georgia

I. Georgia Utility Landscape

A. Utilities in Georgia

In Georgia, three types of electricity providers sell electric power to retail customers: **investor-owned utilities (IOUs)**, **electric membership corporations (cooperatives)**, and **municipally-owned utilities**. The following chart shows the number of each of these types of providers, along with the percentage of Florida's electricity customers served by each:

Electric Utilities in Georgia

Type of Provider	Quantity	Percentage of GA Customers Served
Investor-Owned Utilities (IOU)	1	51.73%
Electric Membership Corporations (Coop.)	42	42.31%
Municipal Utilities	30	5.95%

Source: U.S. Energy Information Administration, Form EIA-861 Table 10, "[Annual Electric Power Industry Report](#)" 2018

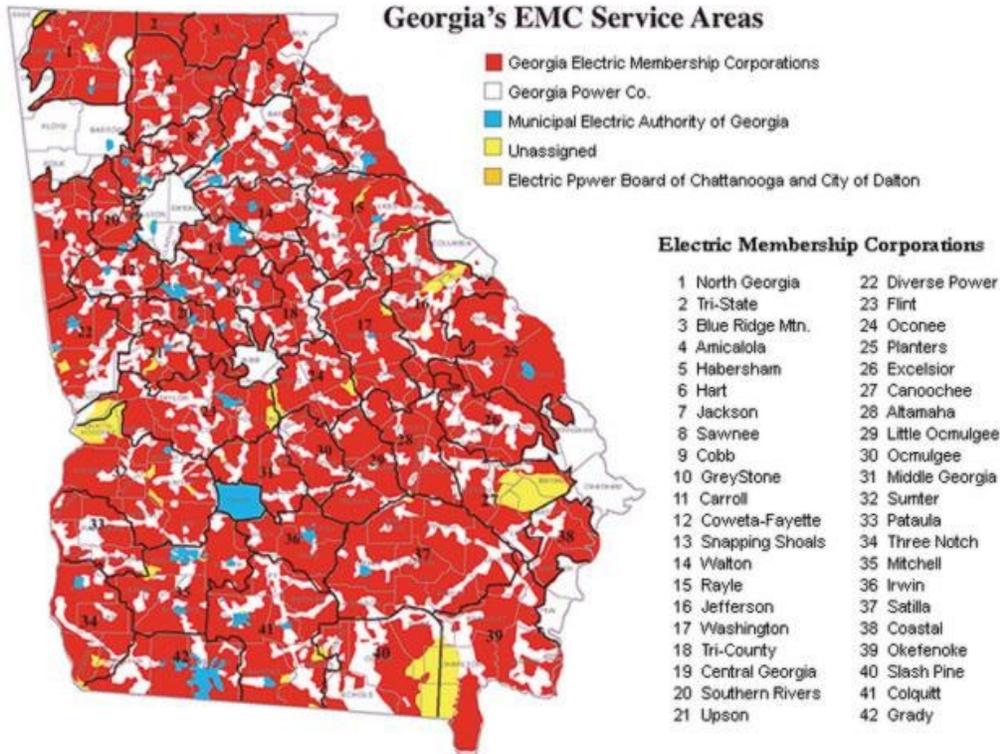
The majority of customers in Georgia are served by the state's only investor-owned utility, **Georgia Power**, which served approximately 2.5 million customers across the state in 2018. Further information on the five largest utilities in Georgia is provided in the chart below:

Five Largest Utilities in Georgia

Utility Name	Type of Provider	Revenue (Thousand USD)	Sales (MWh)	Number of Customers	Average Price (cents/kWh)
Georgia Power Company	IOU	7,752,424.9	85,492,162	2,536,685	9.07
Jackson EMC	Coop.	558,322.0	5,582,996	228,950	10.00
Cobb EMC	Coop.	425,332.3	4,114,266	208,088	10.34
Sawnee EMC	Coop.	366,479.9	3,636,306	178,847	10.08
GreyStone Power	Coop.	289,047.0	2,885,829	132,927	10.02

Source: U.S. Energy Information Administration, Form EIA-861 Table 10, "[Annual Electric Power Industry Report](#)" 2018.

The figure below shows an approximate map of utility service territories across Georgia.¹



B. General Information

Under Article IV of the Georgia Constitution, the **Georgia Public Service Commission** (Commission) is the state agency entity charged with regulating utilities in the state of Georgia. In particular, the Commission has full regulatory authority over investor-owned utilities and thus has the authority to regulate the rates, service, and operations of Georgia Power. The Commission has more limited authority over municipal and cooperative utilities.²

C. Commission Structure

The Commission consists of **five elected Commissioners** serving **six-year terms**. The **Chairman is elected by a majority vote of the Commissioners to serve as chair for a two-year term**.³ The Chairman appoints a Vice-Chairman to serve during the Chairman's two-year term.⁴ Commissioners are required to be at least 30 years old, eligible to vote in Georgia, and must not have any financial interest in any business

¹ <http://www.jeffersonenergy.com/content/service-territory>. Most of the state's municipal utilities are represented by the Municipal Electric Authority of Georgia.

² The Commission has authority to regulate the territory of municipal utilities, and the territory and financing of electric cooperatives. <http://www.psc.state.ga.us/pscinfo/pscintro.asp>.

³ Ga. Code. Ann., §46-2-5.

⁴ Ga. Code. Ann., §46-2-5.

regulated by the Commission.⁵ The Commission maintains a support staff of approximately 80 employees that provide both administrative support and technical assistance to the Commission.⁶ The table below lists Georgia’s current Commissioners:

Name	Term Start	Term End	Contact
Lauren “Bubba” McDonald, Jr. (R) <i>Chairman</i>	01/01/2009	12/31/2020	404-463-4260 lmcdonald@psc.state.ga.us
Tim G. Echols (R)	01/01/2011	12/31/2022	404-463-0214 techols@psc.state.ga.us
Chuck Eaton (R)	01/02/2011	12/31/2018	404-657-2020 ceaton@psc.state.ga.us
Tricia Pridemore (R) <i>Appointed due to Vacant Seat</i>	02/21/2018	12/31/2018	404-656-4574 tpridemore@psc.state.ga.us
H.D. “Doug” Everett (R)	01/01/2003	12/31/2020	404-463-6745 deverett@psc.state.ga.us

D. Overview of Commission Proceedings

The Commission regulates nearly all aspects of Georgia Power’s service, including rates, capital investments, long-term planning, and energy efficiency programs. The Commission relies on both formal administrative proceedings and less formal notice-and-comment processes to make its regulatory decisions. Formal proceedings often resemble a trial, in which parties to the proceeding, including utilities and other parties who decide to intervene, may respond, present evidence and argument on the issues, conduct cross-examination, and submit rebuttal evidence.⁷ In more complicated proceedings such as integrated resource plan dockets and rate cases there are typically several sets of hearings. After hearing the evidence and recommendations provided by all parties, including Georgia Power, intervenors, and Commission Staff, the Commission will issue an order or a series of orders with its decision.

E. Public Service Commission Staff and Other Involved State Agencies

The Commission is comprised of the Commissioners and two major staff divisions: the **Administrative Division** and the **Utilities Division**.⁸ The Administrative Division provides internal support functions for the Commission, such as personnel management, financial management, scheduling and recording Commission proceedings, and public, media and legislative relations. The Utilities Division oversees the activities and services of providers regulated by the PSC and provides technical assistance and information to the Commission, including during regulatory proceedings. Additionally, there are various staff positions

⁵ Ga. Code Ann. §46-2-2.

⁶ <http://www.psc.state.ga.us/pscinfo/pscintro.asp>.

⁷ <http://www.psc.state.ga.us/pscinfo/pscintro.asp>.

⁸ Georgia Rule 515-1-1.

that are set out in the Rule that are “subject to the direction of the Commission.” These positions work for the Commission and are subject to dismissal as Commissioners change.⁹

No other state agency is required to participate in utility regulatory proceedings; Georgia previously had a consumer advocate that represented the interests of electric consumers in regulatory proceedings, but the position was defunded in 2008 and has not been reestablished.

Key Commission Staff Contact Information

Commission Staff
Jamie Barber Energy Efficiency and Renewable Energy Manager jamieb@psc.state.ga.us 404-651-5958

II. Existing State Policies for Energy Efficiency

A. Incentives for Energy Efficiency

1. Energy Efficiency Target

Georgia does not currently have an energy efficiency target in place.

2. Cost Recovery and Performance Incentives

- **Direct Cost Recovery:** Georgia Power may recover its costs for utility-funded energy efficiency and demand-side management programs through a demand-side management rider that is applied to residential and commercial customers.
- **Lost Revenue Recovery:** While the Georgia state code directs the Commission to “consider lost revenues...” due to energy efficiency program, Georgia does not have an explicit mechanism in place for lost revenue recovery.
- **Performance Incentives:** Georgia provides a form of incentive by allowing Georgia Power to recover its direct costs and an “additional sum” for approved residential and commercial DSM programs.¹⁰ The additional sum is a function of both program costs and energy savings. In Georgia Power’s 2016 IRP, the Commission approved an additional sum of 8.5% of the actual net benefits associated with the energy savings from approved programs; but, any amount of the additional sum that exceeds program costs is capped at 4% of actual net benefits.¹¹ The amount¹² The company typically receives 8% of the

⁹ Phone interview, Jamie Barber 10/18/16.

¹⁰ O.C.G.A. § 46-3A-9.

¹¹ [Georgia Power 2016 IRP](#). Net benefits are based on the Program Administrator Cost Test (PACT).

¹² Phone interview, Jamie Barber 10/18/16.

quotient of costs and energy savings;¹³ but if the additional sum exceeds program costs, the portion of the total that exceeds program cost is limited to 4% of actual net benefits.¹⁴

3. Cost-Effectiveness Testing

Georgia Power is required to submit evaluation, measurement, and verification reports every two to three years. Georgia uses all of the five classic benefit-cost tests identified in the California Standard Practice Manual: the Total Resource Cost (TRC) test, Utility/Programs Administrator Cost Test (UCT), Participant Cost Test (PCT), Social Cost Test (SCT), and Ratepayer Impact Measure (RIM) test. However, all measures must pass the TRC test in order to be used in program plans, and no program may be rejected solely because it does not pass the RIM test.

4. Program Participation

Georgia does not allow large customers to opt-out of energy efficiency programs or allow them to self-direct the funds they would have paid for energy efficiency programs.

III. Utility Energy Efficiency Planning Process

This section will provide an overview of the process and timeline by which Georgia Power develops, obtains regulatory approval for, and administers its energy efficiency programs. It will also discuss the requirements and opportunities for third party stakeholders to intervene or otherwise engage in each part of this planning process.

A. Formal Proceedings Before the Commission

1. Integrated Resource Planning

In Georgia, energy efficiency and demand-side management (DSM) programs are developed and approved as part of Integrated Resource Planning (IRP). Georgia Power must file an IRP with the Commission every three years that projects how the utility plans to meet its projected demand over a twenty-year period. In its IRP, Georgia Power is required to account for present and projected reductions in demand that would result from investments in energy efficiency.¹⁵ As stated earlier, Georgia does not have a binding energy efficiency target in place but does provide the additional sum mechanism described earlier and requires that Georgia Power consider energy efficiency in its IRPs.

Georgia Power develops its energy efficiency and DSM portfolio—which then is incorporated into its IRP—with the assistance of a collaborative working group consisting of environmental, consumer, and other advocates interested in Georgia Power’s energy efficiency planning process.¹⁶ The Demand Side Management Working Group (DSMWG) meets every quarter for about two years leading up to

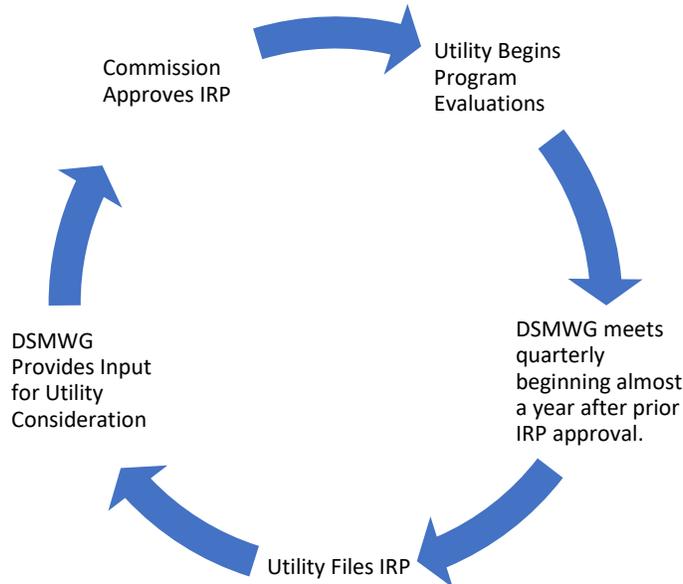
¹³ Phone interview, Jamie Barber 10/18/16.

¹⁴ <http://database.aceee.org/state/georgia>

¹⁵ GPSC Rule 515-3-4.

¹⁶ Phone interview, Jamie Barber 10/18/16.

an IRP filing.¹⁷ The DSMWG, which is facilitated by Commission Staff, provides a forum for Georgia Power to provide information about its proposed energy efficiency and DSM programs and obtain input from DSMWG participants. Although the DSMWG reviews program plans and can make suggestions as to how to improve policies, Georgia Power’s implementation officers have the final say over which programs it chooses to incorporate into the final IRP; the Commission has final approval authority over the IRP itself.¹⁸ A diagram of the DSMWG process is shown below:



B. Opportunities for Third-Party Engagement

1. DSM Stakeholder Process

Third parties may participate in the DSM stakeholder process without intervening in the IRP proceeding. While there are no formal requirements for participants, participating organizations should be able and willing to productively engage in the process. To inquire about participation, interested parties may reach out to a Commissioner or member of Commission Staff.

2. Formal Proceedings

To participate in a proceeding in a comprehensive way, parties typically must formally intervene. Parties that can intervene in proceedings before the Commission include:

¹⁷ Phone interview, Jamie Barber 10/18/16.

¹⁸ Georgia Power is not required to accept the advice of the DSMWG. Phone interview, Jamie Barber 10/18/16.

- 1) parties that have a right to do so by statute,
- 2) parties that have an interest in the proceeding, such as a legal or property interest, and
- 3) members of the General Assembly intervening on behalf of their constituents.¹⁹

Parties that do not have a statutory right to intervene may request leave to intervene within 30 days following the first published notice of the proceedings. The party must “set forth with particularity the facts pertaining to his interest and the grounds upon which his application for intervention are based.”²⁰ Once a party is given permission to intervene, they must be present for the relevant part of the proceeding.²¹

However, all hearings, administrative sessions, and committee meetings of the Commission are open to the public. In addition, individual consumers often have the opportunity to provide an oral or written statement on an issue before the Commission by signing up to do so on the first day of a proceeding.²²

3. Other Means of Engagement

Provided a person or group is not party to a proceeding before the Commission, ex parte rules do not generally prohibit third parties from directly engaging with Commissioners, Commission staff members, Public Counsel, or utilities on matters of interest to them. However, any communication between parties to a proceeding and Commissioners or Commission Staff participating in that proceeding must be made in a “public and open manner that allows all other Parties the opportunity to respond to such communication or information.”²³

¹⁹ Ga. Code Ann., § 46-2-59.

²⁰ O.C.G.A. §46-2-59.

²¹ O.C.G.A. §46-2-59 (3)(h).

²² O.C.G.A. §46-2-59 (3)(g).

²³ Ga. Admin. Code. 515-2-1.14.