

## **Alabama Power Energy Efficiency Views:**

1. Alabama Power's philosophy is to provide exceptional customer service, while maintaining high reliability, and the lowest price practical.
2. Alabama Power does not support arbitrary energy reduction targets. Energy efficiency is not using less kilowatt-hours but the reduction of customers' total energy cost. Alabama Power works with customers to assist them in becoming as efficient as possible.
3. Current rate mechanisms are sufficient to support cost effective energy efficiency programs.
4. Cost-effective energy efficiency measures are those that are reasonably expected to result in all customers paying less for electricity than they would have paid had other alternatives been utilized (supply side or demand side). The Rate Impact Measure (RIM) test best defines cost effectiveness because it ensures that one group of customers does not subsidize another.
5. Alabama Power supports reasonable building codes and appliance standards that result in customers becoming more efficient.
6. Alabama Power currently has 23 Energy Efficiency programs that have resulted in over 1,580 MW's of demand reduction. This is equivalent to the electrical demand of over 400,000 average residential homes in Alabama Power's territory. Alabama Power continues to pursue programs that are cost effective.