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INDUSTRIAL SEGMENT

WER BULLETIN

VOL. 11 No.5 May 2011

SCE Projects Average Rate Decrease in June for Most Business Customers

ost Southern California Edison (SCE) bundled service business customers meaning those who pay SCE for generation, transmission and distribution services—will benefit from a decrease in the generation component of SCE's bill, scheduled to take effect June 1.

The decrease is a result of the 2011 Energy Resource Recovery Account (ERRA) filing. ERRA is an annual regulatory proceeding created to pass through, with no mark-up, SCE's fuel- and energy-related costs to bundled service customers. The current soft market for the price of natural gas, which accounts for about half of SCE's energy portfolio, means lower fuel costs.

Projected average June 1 rate levels (in cents per kilowatt-hour) by SCE customer segment include:

- Average Small and Medium Power: 15.3¢/kWh (a decrease of 5.5% from March 2011)
- Average Large Power: 10.4¢ (a decrease of 6.9% from March 2011)
- Average Agricultural and Pumping: 12.0¢ (a decrease of 6.5% from
- Average Street and Area Lighting: 18.6¢ (a decrease of 3.0% from March 2011)

Direct Access customers are expected to see a June 2011 average increase on the SCE component of their bill, with projections of 7.1¢/kWh for average small and medium power customers and 5.0¢/kWh for average large power customers (increases of 28.5% and of 31.0% from March 2011, respectively).

Regulatory filings could affect these Direct Access rate changes, and individual customers' rates will vary, so contact your account representative to discuss your specific situation. Also contact your account representative or visit www.sce.com for information on SCE offerings and solutions to help you save energy, money and the environment.

General Rate Case Update

Public participation hearings are scheduled for June on SCE's 2012 General Rate Case (GRC) application, followed by evidentiary hearings, with the California Public Utilities Commission (CPUC) expected to make a final decision in December of this year.

In a GRC proceeding, SCE proposes a three-year plan that outlines the infrastructure and related spending needed to maintain the reliability and security of the region's power delivery grid. The request is fully transparent and rigorously reviewed by the CPUC before adjusting customer rates.

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OWER BULLETIN

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If approved, the 2012 to 2014 plan to increase investment in Southern California's electricity grid would result in an average increase of 7.55% above March 2011 rate levels. Specifically, GRC funds are needed to:

- Inspect, maintain and upgrade 1.5 million electric poles, more than 712,600 transformers and more than 88,200 miles of distribution lines
- Increase grid security
- Add smart grid components to integrate more renewable energy
- Prepare the region for plug-in electric vehicles
- Maintain a skilled workforce to handle upcoming changes to the grid and

The positive impacts of SCE's proposed expenditures from 2012 to 2014 for California are estimated as follows*:

- Additional Jobs Supported Annually: 12,760
- Increase in Economic Value Added to State Annually: \$2.8 billion
- Total Economic Value of Proposed Spending: \$21.8 billion
- Increased Contribution to State and Local Taxes: \$1.215 billion
- * Source: HIS Global Insight

Dynamic Pricing Status

Per CPUC direction, last year SCE filed its Dynamic Pricing Application, proposing mandatory Time-of-Use (TOU) rates for all nonresidential customers, as well as default Critical Peak Pricing (CPP) rates for small and medium business customers (with demands less than 200 kW) and for large agricultural and pumping customers (with demands greater than 200 kW).

This year, the CPUC approved deferring dynamic pricing rate implementation from Jan. 1, 2012, to a later date. SCE proposes to implement mandatory TOU rates for nonresidential customers no sooner than Oct. 12, 2012. In addition, SCE recommends keeping CPP rates optional for small and medium business customers and large agricultural and pumping customers.

Stay tuned for more information on rate developments in the coming months. For questions on your specific rate situation, contact your account representative. To learn more about the 2012 GRC, visit www.sce.com/2012plan.

INDUSTRIAL SEGMENT FOCUS

Cool Planet Project Offers Tools for Success in Reducing Carbon Emissions

With an ever-increasing focus on reduction of greenhouse gas (GHG) emissions including the California Air Resources Board's approval of the nation's largest capand-trade plans, creating the biggest carbon market in the country—there's no better time for SCE industrial customers to get ahead of the curve in documenting GHG baselines and subsequent reductions.

By joining the Cool Planet Project, offered by SCE and The Climate Registry, you can receive key support in your energy and carbon management efforts. Through the program, customers who install energy efficiency projects that save a minimum threshold of energy annually receive complimentary first-year membership in The Climate Registry. This North American nonprofit collaborative organization sets consistent and transparent standards for GHG accounting, and offers its member organizations the educational resources and hands-on tools to measure and manage operational GHG emissions.

Member organizations that go above and beyond to measure, third-party verify and publicly report their entity-wide GHG profiles to The Climate Registry are considered 'Climate Registered.'

What's in It for You?

When you join the Cool Planet Project, you receive valuable carbon footprint measurement, risk management and environmental leadership benefits. These include:

- Access to expert The Climate Registry educational services, measurement and reporting software, and technical assistance;
- Ability to document voluntary GHG reductions in a state-backed program;
- Opportunity to lower your costs and improve your competitive business advantage by identifying inefficiencies in energy usage;
- Preparation for new regulations and trading programs;
- Ability to assess liability and risk, and to provide transparent information to the public, investors and other key stakeholders;
- · Educational resources, trainings and other forums to share sector-specific best practices and learn from industry peers;



The Cool Planet Project, offered by SCE and The Climate Registry, gives SCE industrial customers valuable carbon footprint measurement, risk management and environmental leadership benefits.

- · A role in the policymaking arena as a credible voice; and
- Access to public relations services to communicate your environmental leadership.

How Do You Join?

To join the Cool Planet Project, you must install an energy efficiency project or projects in SCE's service territory, with savings of at least 500,000 gross kilowatt-hours (kWh) annually. Multiple facilities can be aggregated to reach the required annual savings. A post-installation inspection by SCE must define and approve the final kWh project savings.

As an added benefit, many SCE energy efficiency offerings are designed to pay up to half of the total project cost.

After project approval, you will receive a full briefing about Cool Planet Project details, benefits and next steps from your SCE account representative and The Climate Registry. You then submit a Cool Planet Project application and The Climate Registry's "Statement of Intent." Upon acceptance, you get an introductory package and training, and the media campaign to highlight your environmental leadership begins.

Upon receipt of the Cool Planet Project benefits, you are responsible for any additional associated fees for GHG verification and reporting. If your project saves 1 million kWh or more annually, you receive up to \$5,000 toward thirdparty verification from a qualified GHG inventory verification body; that amount goes to up to \$10,000 for projects that save 1.5 million kWh or more each year.

Project funds are available on a first-come, first-served basis, with the program funded through Dec. 31, 2012. To learn more about the Cool Planet Project and how SCE can assist you in saving energy, money and the environment contact your account representative or visit www.sce.com/business/ energy-solutions/california-energy-programs.htm

More About The Climate Registry C



A nonprofit collaboration among U.S. states, Canadian provinces and territories and Native American Sovereign Nations, The Climate Registry provides the tools to measure, verify and report GHG emissions consistently across borders and industry sectors in one unified North American Registry. Learn more at www.theclimateregistry.org/.

Mark Your Calendars for West Coast Energy Management Congress

Don't miss the upcoming West Coast Energy Management Congress, the largest energy conference and technology expo held on the U.S. West Coast specifically for commercial, industrial and institutional energy users. It takes place June 15-16 at the Long Beach Convention Center, hosted by SCE and presented by the Association of Energy Engineers. For details and to receive your complimentary exhibit hall pass, visit www.energyevent.com/.