

SCE Provides Estimated Rate Changes for 2014

At Southern California Edison (SCE), we are communicating forecasted rate increases in advance, so you have time to plan ahead. We know rate increases are difficult, but it's our responsibility to help and we'll keep you informed every step of the way.

As we look at the latest 2014 rate changes, we want to ensure you're aware of **solutions that can put you in control** – allowing you to proactively decide what business actions you can take to manage any cost impacts.

Currently, SCE is projecting an estimated average rate increase for business customers of approximately 6% to 12% in June 2014 compared to rates in effect in November 2013. This applies to bundled service customers, meaning those who pay SCE for generation, transmission and distribution services.

The main drivers for this rate increase are the implementation of California's Greenhouse Gas program on April 1, 2014 (*see additional story for more information*) and the Energy Resource Recovery Account (ERRA) on June 1, 2014. 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.

For Direct Access customers, small TOU-GS-1 accounts are projected to get a rate decrease of about 6%. Agricultural and Pumping accounts are projected to get a slight rate decrease. Other business customers are projected to get a rate increase of approximately 11% to 15%.

Bill Impact Analyses Coming in July

Because individual rates will vary based on specific customer situations, in July 2014 we'll be sending you an in-depth report with a side-by-side analysis of your current rates.

For rate or related questions at any time, contact your account representative or visit www.sce.com for more information on SCE offerings and solutions to help you maintain a strong bottom line.

California's Greenhouse Gas (GHG) Program

On April 1, 2014, California's GHG program was implemented into SCE customers' rates. The GHG program is a state mandate intended to support the Global Warming Solutions Act of 2006, which caps California's GHG emissions through a Cap-and-Trade program.

The costs associated with the GHG program are included in the generation portion of bundled service customer rates. In addition, beginning April 1, residential and "small business" customers' electricity bills included a credit identified as the "California Climate Credit." For small business customers, this credit offsets the costs of the GHG program, while residential customers actually experienced an overall decrease in their bills. All other bundled service business customers experienced an increase.

Some customer accounts (mostly heavy industry and manufacturing facilities) will be designated as Emissions-Intensive, Trade-Exposed (EITE) by the California Air Resources Board. These customers are expected to receive an annual credit to help offset the rate impacts of implementing California's GHG Cap-and Trade program. A California Public Utilities Commission decision is pending on how EITE customers will be treated.

Summer Season Rates and Demand Response Benefits

One way to address upcoming rate changes is by participating in one or more SCE Demand Response programs, which can help you reduce costs when energy demand goes up and electricity prices rise. Besides helping you lower your electricity bills, reducing your energy consumption during peak-demand hours also can assist in relieving stress on the grid and supporting the environment.

In addition, summer rates take effect for most SCE customers on June 1. During the June 1 to Oct. 1 summer season, customers on Time-of-Use (TOU) rates have higher on-peak energy and demand charges that reflect the costs of meeting greater summer electricity demand. Summer on-peak hours are noon to 6 p.m. on weekdays, excluding holidays.

So there's no better time to ensure you take full advantage of Demand Response programs to receive discounted rates, bill credits or incentives for participation.

For the summer period, here are just two of several Demand Response programs to consider:

- **Summer Discount Plan:** You can earn monthly credits on your summer-season electricity bill by allowing SCE to remotely turn off (or "cycle") the compressor(s) of your central air conditioner(s) as needed. SCE will provide and install a device at no charge, and you determine how much credit you receive according to how often – and for how long – you permit us to cycle your A/C compressor(s) during program events (which may be called year-round, but are most likely during the summer). Maximum savings occur with the 100% cycling option, when you may earn up to \$250 per year, per A/C unit based on program specifications.
- **Demand Bidding Program (DBP):** Through this no-cost, flexible and penalty-free program, you can receive bill credits for voluntarily reducing energy usage when a DBP event is called. DBP events can take place Monday through Friday between the hours of noon and 8 p.m. any time of the year (excluding holidays). Simply place a bid the day before the DBP event for each hour you plan to reduce energy use, and you can receive bill credits for realized reductions ranging from 50% to 200% of your commitment. If you are unable to meet the event request, there are no penalties, so there is no cost to you.

To learn more about all of SCE's energy- and money-saving opportunities, contact your account representative or check out additional information on our Demand Response and other [energy-saving solutions](#).