



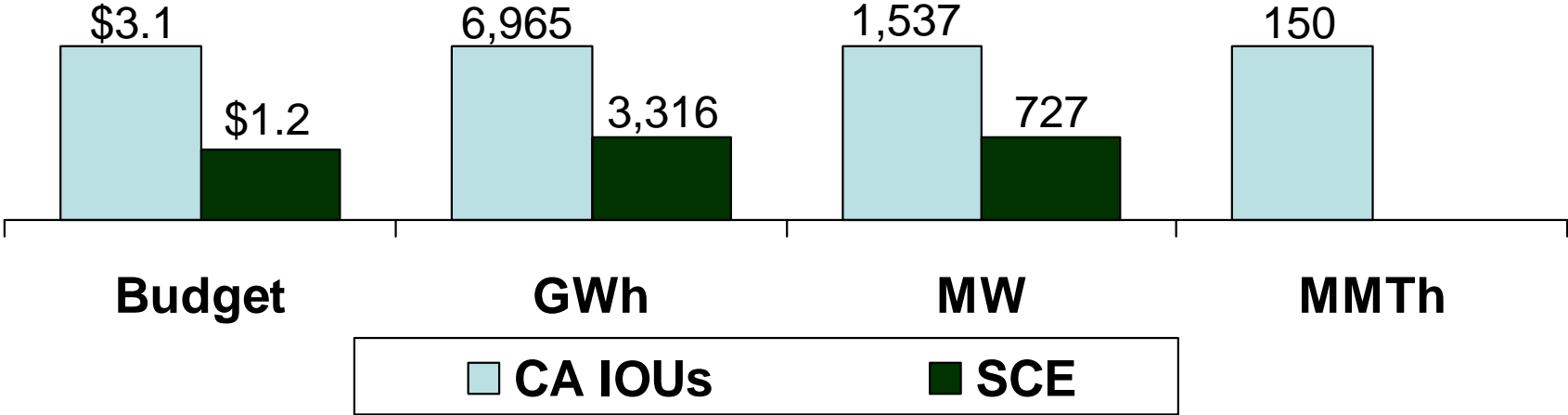
California Energy Efficiency ***- A Big & Bold New Era of Energy Efficiency -***

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2010 – 2012 Energy Efficiency Goals

	California Investor-Owned Utilities	Southern California Edison
Budget	\$3.1 Billion	\$1.2 Billion
GWh	6,965 GWh	3,316 GWh
MW	1,537 MW	727 MW
MMTh	150 MMTh	N/A



California Energy Efficiency Policy

- ❖ **California's Energy Action Plan** = Energy resource “loading order”
 - **EE & DR** first; **Renewables** second; **Fossil-fired generation** last
- ❖ **California Global Warming Solutions Act (AB32)** = GHG reductions to:
 - 2000 levels by 2010 (11% below “business as usual”)
 - 1990 levels by 2020 (25% below “business as usual”)
- ❖ **California Long-Term Energy Efficiency Strategic Plan**
 - Statewide roadmap to maximize achievement of cost-effective energy efficiency between 2009 and 2020, and beyond.



Framework For Targeting Aggressive EE

- ❖ Energy Efficiency = first priority resource in utility procurement
- ❖ Aggressive Goals set based upon up-to-date potential studies
- ❖ Necessary components of energy efficiency business model =
 - ✓ **Robust Funding Stream** – Allowable recovery of DSM program costs;
 - ✓ **Decoupling Mechanism** – Removal of the throughput disincentive by decoupling recovery of revenue requirements from sales;
 - ✓ **Shareholder Incentive** – Opportunity to earn incentives for success of EE programs; Goal = Comparability to supply-side returns
- ❖ Commission-managed Evaluation, Measurement and Verification - ensure claimed savings are real and attributable to program efforts

Many Programs Are Required For Next Generation Energy Efficiency

<p>Core</p>	<ul style="list-style-type: none"> • Residential Lighting • Multifamily EE Rebates • Home Efficiency Rebates • Appliance Recycling • Plug Load/Consumer Electronics 	<ul style="list-style-type: none"> • Commercial EE • Small Business Direct Installation • Agricultural EE • Industrial EE • Comprehensive HVAC 	<ul style="list-style-type: none"> • New Construction • Data Center EE • Healthcare EE • Financial Solutions • Education & Training
<p>Third Party Targeted</p>	<ul style="list-style-type: none"> • Lodging EE • Industrial Gases • Comprehensive Petroleum Refining • Cool Schools • Private College Campus Housing • Efficient Affordable Housing • Food & Kindred Products • Primary & Fabricated Metals • Comprehensive Chemical Products • Comprehensive Mobile Home 		
<p>Partnership</p>	<p><u>Energy Leader Partnership Program</u></p> <ul style="list-style-type: none"> • Palm Desert • City of Beaumont • South Bay • Ventura County 	<p><u>Institutional & Government Partnerships</u></p> <ul style="list-style-type: none"> • UC/CSU • CA Community Colleges • CA Department of Corrections & Rehabilitation • State of California 	
<p>Low Income</p>	<ul style="list-style-type: none"> • Energy Management Assistance • CARE • FERA 		
<p>Emerging Technology</p>	<ul style="list-style-type: none"> • Technology Assessments • Scaled Field Placements • Demonstration Showcases • Market and Behavioral Studies • Technology Development Support • Business Incubation Support • Technology Test Centers • Codes & Standards 		

Energy Efficiency Portfolios Will Continue to Promote A Wide Range of End-Uses

- ❖ Advanced lighting measures beyond the traditional CFL will drive future lighting savings
- ❖ Whole-house, whole-building approach to energy savings will package measures into customizable energy solutions
- ❖ Upstream incentives will continue to drive market transformation in HVAC, lighting, and other industries
- ❖ End-uses with significant market potential in California:
 - Lighting
 - HVAC
 - Industrial Motors
 - Food Store & Residential Refrigeration
 - Water Heating

Innovative Marketing Strategies

- ❖ Business & Consumer Electronics Program (BCEP) addresses growing use of plug-load through education and promotion at retail locations
 - Provides midstream incentives to retailers to increase the stock and promotion of high-efficiency products including televisions, computer monitors, and desktop computers
 - Includes eye-catching displays that promote ENERGY STAR qualified electronics and training to retail store personnel on how to engage and educate customers on the advantages of energy efficient products.

- ❖ Mobile Energy Unit communicates with local communities
 - The MEU serves as a mobile road show promoting energy efficiency, demand response, customer solar programs, and conservation and educating consumers about SCE's programs. In 2009, over 41,000 people visited the MEU at 140 events.

Carbon Legislation Could Drive Additional Energy Efficiency

- ❖ Energy efficiency is the fastest, most cost-effective means of reducing carbon emissions
- ❖ Carbon adders and cap & trade systems will increase the value of energy efficiency and drive up avoided cost resource benefits
- ❖ Question for California: What does 'cost-effective' mean in the GHG reduction era?



What Needs To Be Done

- ❖ Massive, sustainable investment in energy efficiency needs to come from the utility sector
- ❖ Utilities and regulators must strike a balance between acquiring short-term efficiency savings and driving market transformation and adoption of energy efficient behavior
- ❖ Overarching and collaborative energy efficiency strategic plan should be developed and utilized as a framework for efficiency portfolios
- ❖ In order to maximize efficiency in the U.S., it is critical that utility business models, regulatory frameworks, and policies are aligned and the roles and responsibilities of all interested parties are clearly established

Thank You!



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