



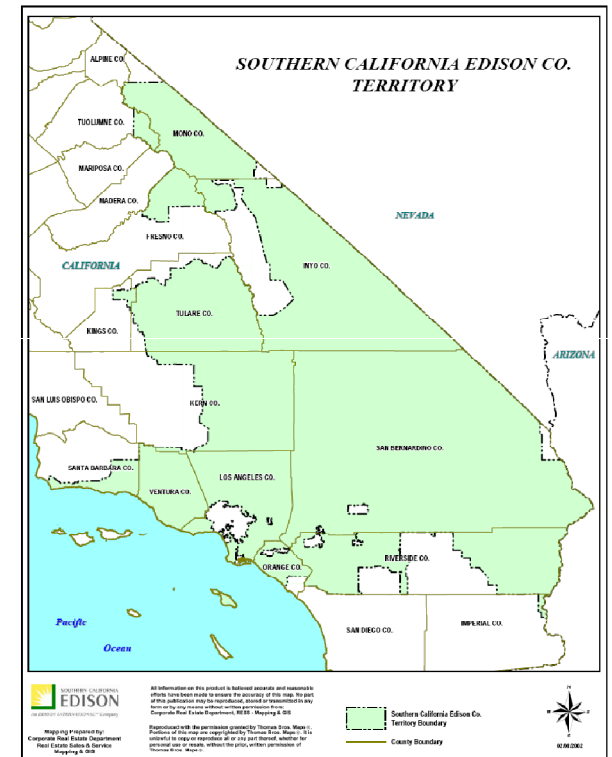
The Changing Paradigm: What's Next for Corporate Energy Efficiency?

Gene Rodrigues
Director of Energy Efficiency
Southern California Edison

Pew Center EE Conference
April 6, 2010
Chicago, IL

About Southern California Edison

- ❖ **One of the Country's Largest Investor-Owned Utilities**
 - 50,000 square miles
 - 13 million customers
- ❖ **Environmental Leadership**
 - **2006 – 09 EE Results**
 - ✓ More than 5.8 billion kWh & 1,060 MW – Enough to power nearly 825,000 homes for an entire year
 - ✓ Resultant greenhouse gas emission reduction = Equivalent of taking 500,000 cars off the road
- ❖ **#1 Utility in the Nation for EE Electricity Savings in 4 out of the Last 5 Years**
 - Highest electricity savings goals in the country



✓ **Leading U.S. purchaser of renewable energy**

✓ **Largest DR portfolio in California**

✓ **Edison SmartConnect™ currently installing 5 million smart meters**

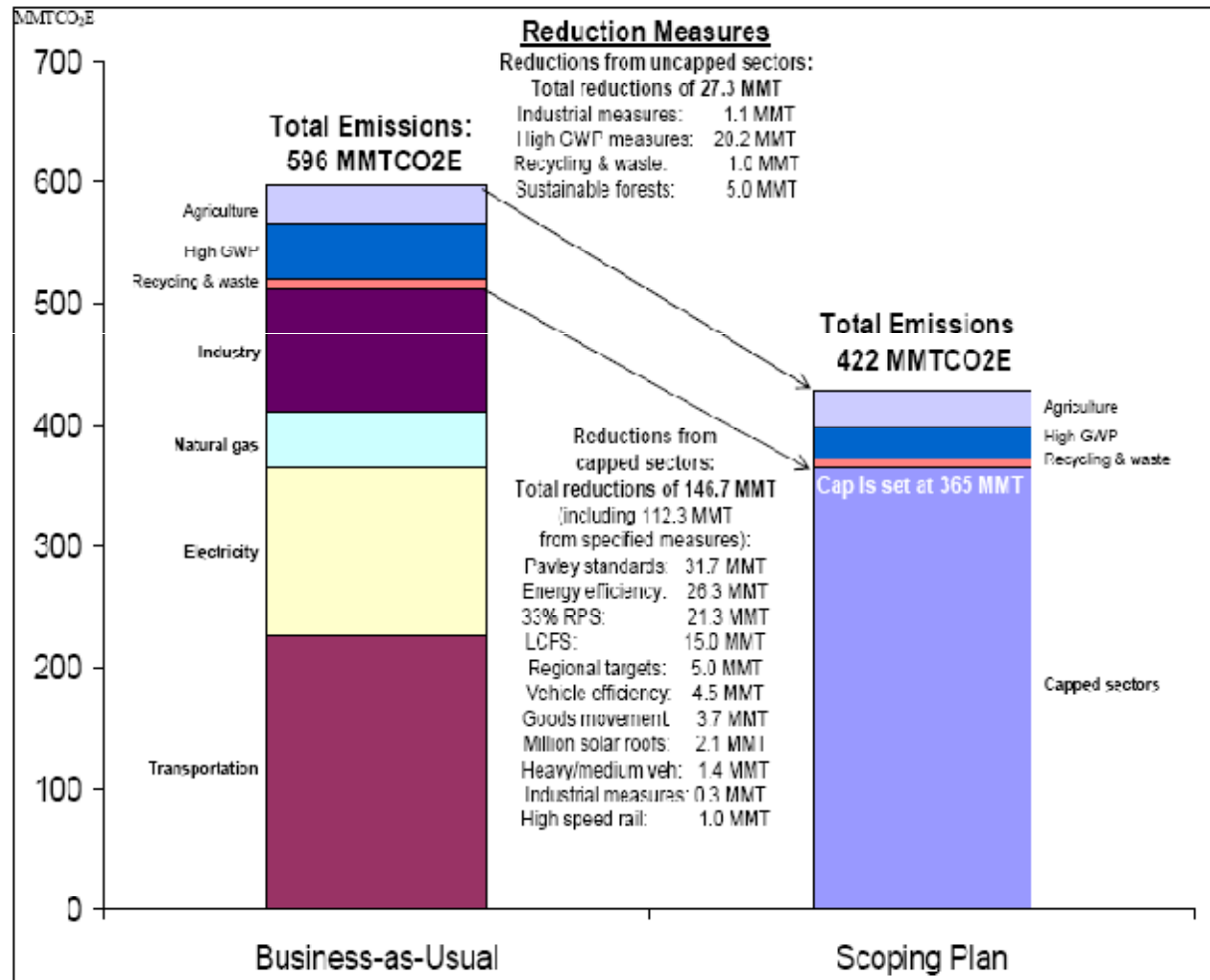
✓ **Largest private EV fleet in the country**

Today's Energy Policies Shape the Future of Energy Efficiency

- ❖ **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.



Energy Efficiency Will Play a Defining Role in GHG Reductions From All Industries



SCE's Programs Partner With All Business Customers to Reduce Bills, Energy Use & GHG

<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 		

Utility Energy Efficiency Programs Drive Private Sector Adoption of Energy Efficiency

Utility EE programs address and mitigate corporate barriers to entry:

Barriers Preventing Adoption ^[1]	Utility Mitigation Strategies
1. Lack of Project Funding	<i>Offer Rebates, Incentives, Direct Install programs; On-bill financing</i>
2. Lack of Personnel With the Appropriate Skill Sets	<i>Provide dedicated utility energy representative to guide energy decisions; Education & Training Prog.</i>
3. Inadequate Management Tools	<i>Create customized short- and long-term energy management plans, ROI & Payback analyses, etc.</i>
4. Insufficient Technical Information	<i>Provide facility energy audits, benchmarking, field engineering support; Technology & Energy Centers</i>

^[1] Most common barriers identified by companies studied in the Pew Center report: *From Shop Floor to Top Floor: Best Business Practices in Energy Efficiency. April 2010.*

Private Sector Must Embrace Efficiency as a Core Practice Throughout the Value Chain

- ❖ Create real and sustained support starting with senior leadership
- ❖ Make efficiency a core element of corporate strategic planning and risk assessment – and a long-term goal of the corporation
- ❖ Create specific, measurable, accountable, realistic, and time-bound (SMART) energy efficiency goals
- ❖ Develop a robust tracking and measurement system to evaluate performance towards SMART goals
- ❖ Commit substantial resources to efficiency through a dedicated energy team, budget, and operating resources

Carbon Legislation Impacting All Industries ***~~Could Drive Additional Energy Efficiency~~***

Will

- ❖ 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 Energy Efficiency: What does 'cost-effective' mean in the GHG reduction era?

Utilities Must Be Put to Work to Maximize National Efficiency Savings

- ❖ 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!



SOUTHERN CALIFORNIA
EDISON®

An *EDISON INTERNATIONAL*® Company

Gene Rodrigues

Director of Energy Efficiency

Southern California Edison

Gene.Rodrigues@sce.com