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Forging Clean Energy Collaborations: A California Perspective

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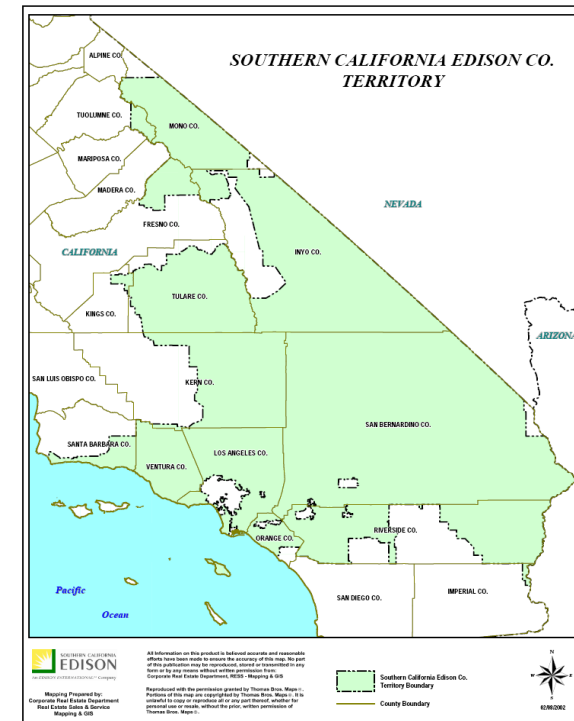
SCE's National Leadership in Energy Efficiency

- One of the United States Largest Investor-Owned Utilities
 - 50,000 square miles
 - Population of 14 million

- 2006 – 2010 Energy Efficiency Results
 - More than **8 billion kWh** – Enough to power more than **1.1 million homes** for an entire year
 - Resultant greenhouse gas emission reduction = Equivalent of taking **700,000 cars** off the road

- National Leader in Energy Efficiency
 - Highest electricity savings goals in the country
 - **1st or 2nd** in the nation in electric energy savings in each of the last **12 years**

- Consistent National Recognition
 - **10** US Department of Energy ENERGY STAR® Awards
 - Numerous other top industry awards



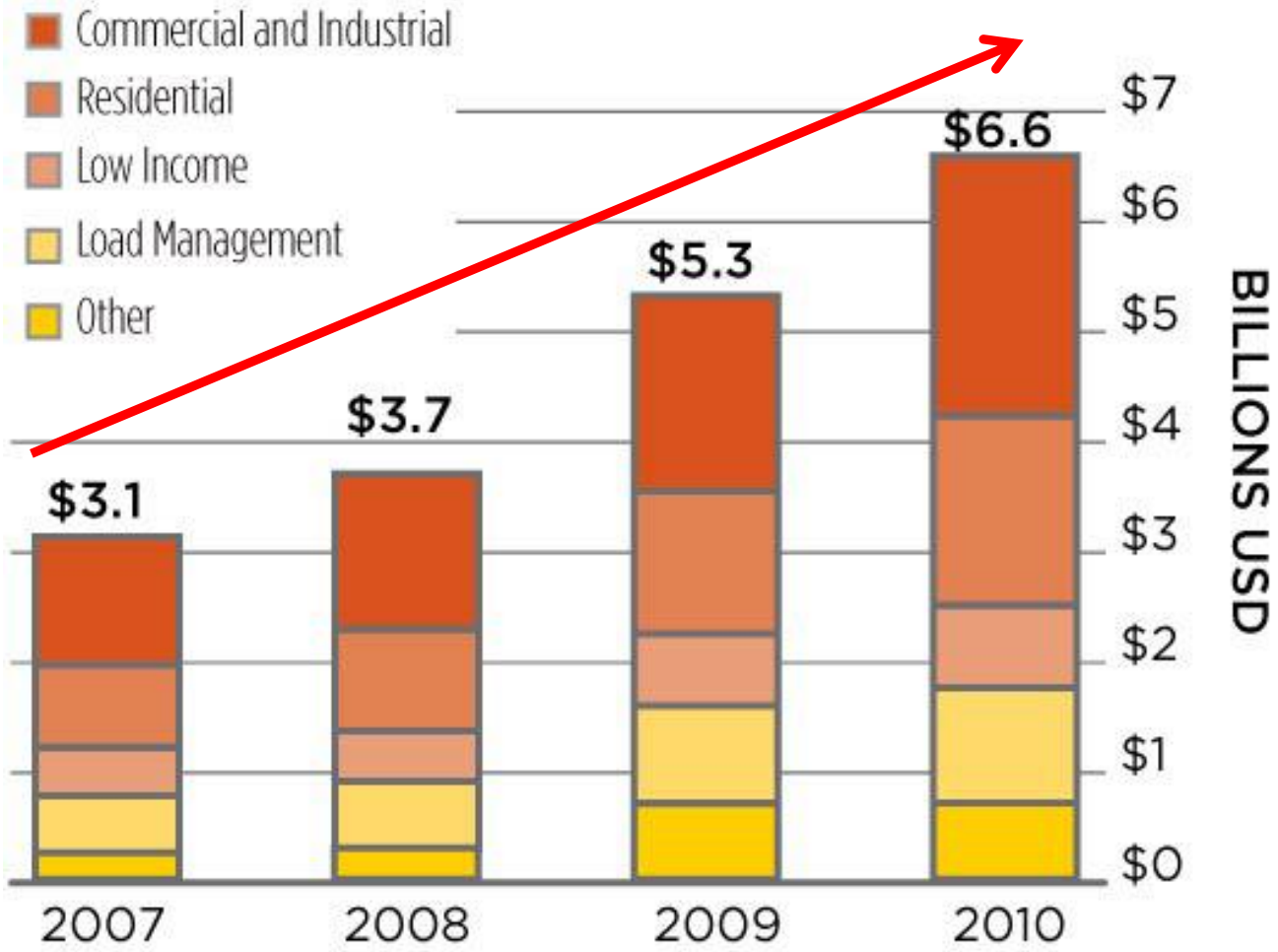
California Demand-Side Management Policies

- California's Energy Action Plan = Energy resource "loading order"
 - EE & DR first; Renewables second; Fossil-fired generation last

- Business Model for DSM = Three elements:
 1. Program Cost Recovery – Allowable recovery of DSM program costs
 2. Decoupling Mechanism – Removal of the throughput disincentive by decoupling recovery of revenue requirements from sales
 3. Shareholder Incentive – Opportunity to earn incentives for success of EE programs; Goal = Comparability to supply-side returns



US Demand-Side Management Budgets Have Doubled In the Past Four Years



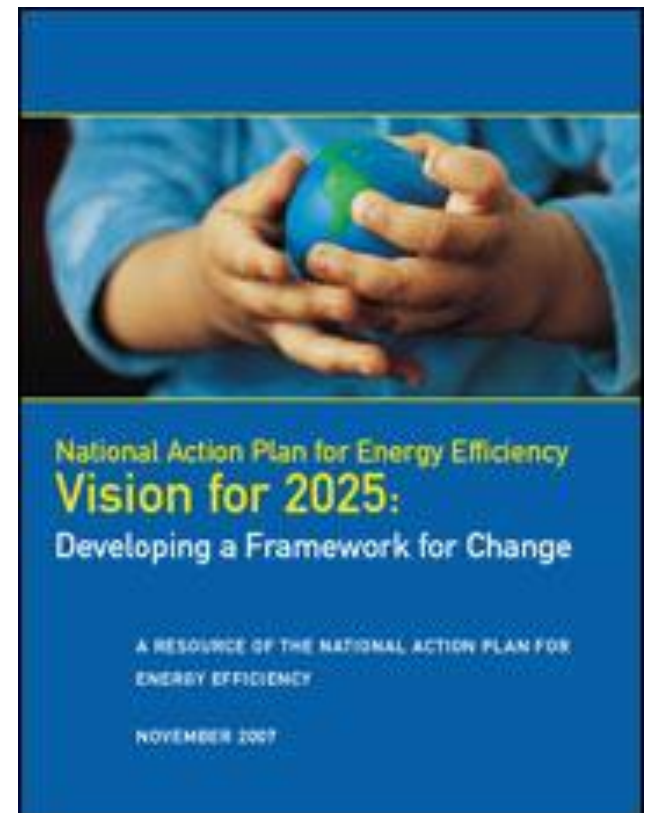
Source: Consortium for Energy Efficiency 2010. Includes Gas and Electric programs in the US.

A Policy Model for the United States: *National Action Plan for Energy Efficiency (NAPEE)*

- US EPA/DOE-led effort to create a sustainable, aggressive national commitment to EE

5 Key Policy Recommendations to Overcome Barriers to Investment in EE

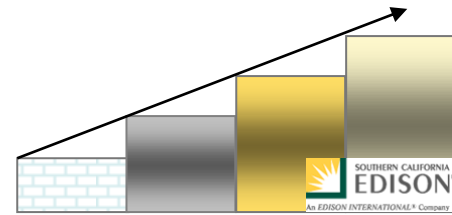
- Recognize EE as a high-priority energy resource
- Make a strong, long-term commitment to implement cost-effective EE as a resource
- Broadly communicate the benefits of and opportunities for EE
- Provide sufficient, timely, and stable program funding to deliver EE where cost-effective
- Modify policies to align utility incentives with the delivery of cost-effective EE, and modify rate making practices to promote EE investments



Models for Collaboration

➤ SCE Energy Leader Partnerships

- SCE and local government and state institutions



➤ State Energy Efficiency Action Network

- US DOE/EPA-led collaboration builds on National Action Plan for EE to achieve all cost-effective EE by 2020



➤ Consortium for Energy Efficiency

- Forum for collaboration between program administrators



➤ China-US Energy Efficiency Alliance

- Bi-national collaboration between government and business representatives to advance EE



➤ Clean Energy Ministerial

- Multi-national collaboration between participating governments



Thank You!!

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- Additional information about energy efficiency and other energy activities in California and the US available at:

Southern California Edison

www.sce.com

California Public Utilities Commission

www.cpuc.ca.gov

SEE Action

www.seeaction.energy.gov

Clean Energy Ministerial

www.cleanenergyministerial.org

National Action Plan for Energy Efficiency

www.epa.gov/eeactionplan

Consortium for Energy Efficiency

www.cee1.org

China-US Energy Efficiency Alliance

www.chinausealliance.org