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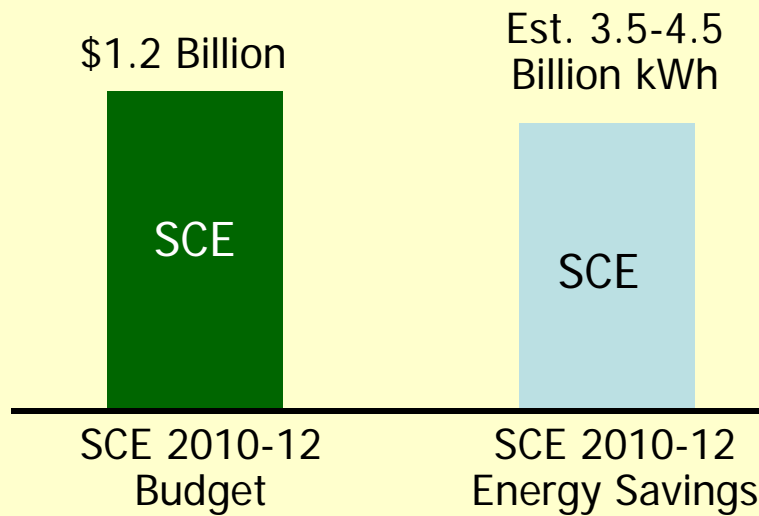
An *EDISON INTERNATIONAL*[®] Company

***Energy Efficiency Program Industry:
Ready to Deliver Unprecedented
Savings in Historic Times***

Gene Rodrigues
Director of Energy Efficiency
Southern California Edison

EE = Our Nation's ***** Untapped Resource!

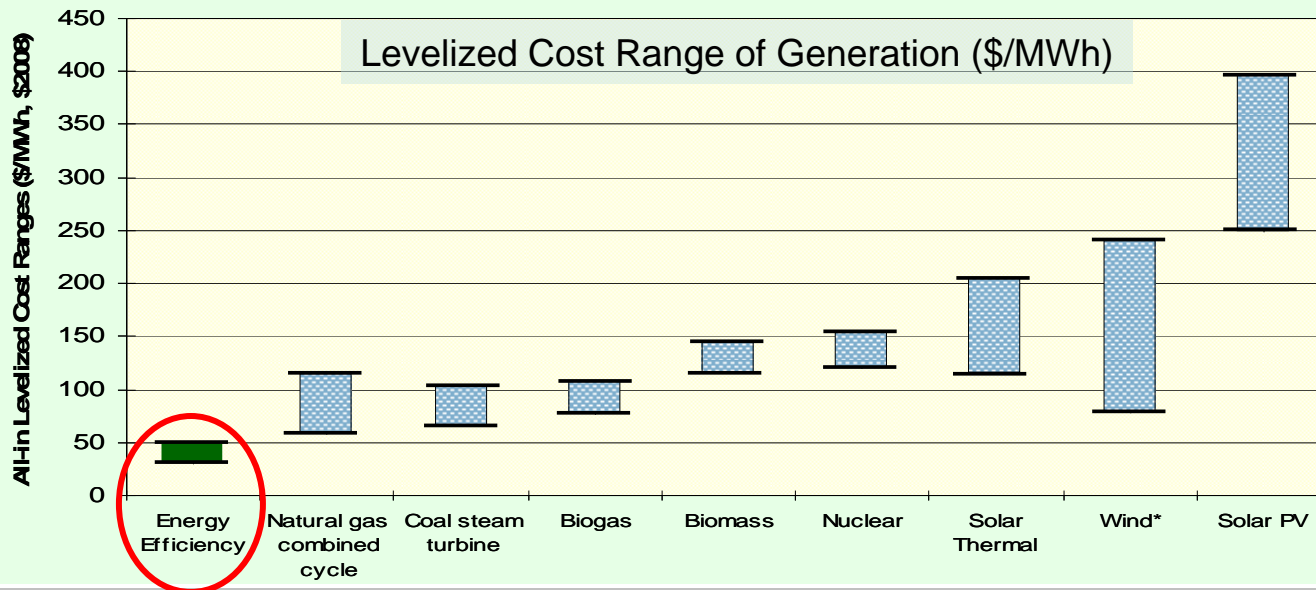
Big Investment – Big Results



- * *Cheapest*
- * *Greenest*
- * *Most Reliable*
- * *Job-Creating*
- * *High-Tech*

*Approximate projection of budget and savings results for the 2010-2012 period ... Does not include Low Income EE

Most Cost-Effective Resource



Source: Energy and Environmental Economics Inc. 2008

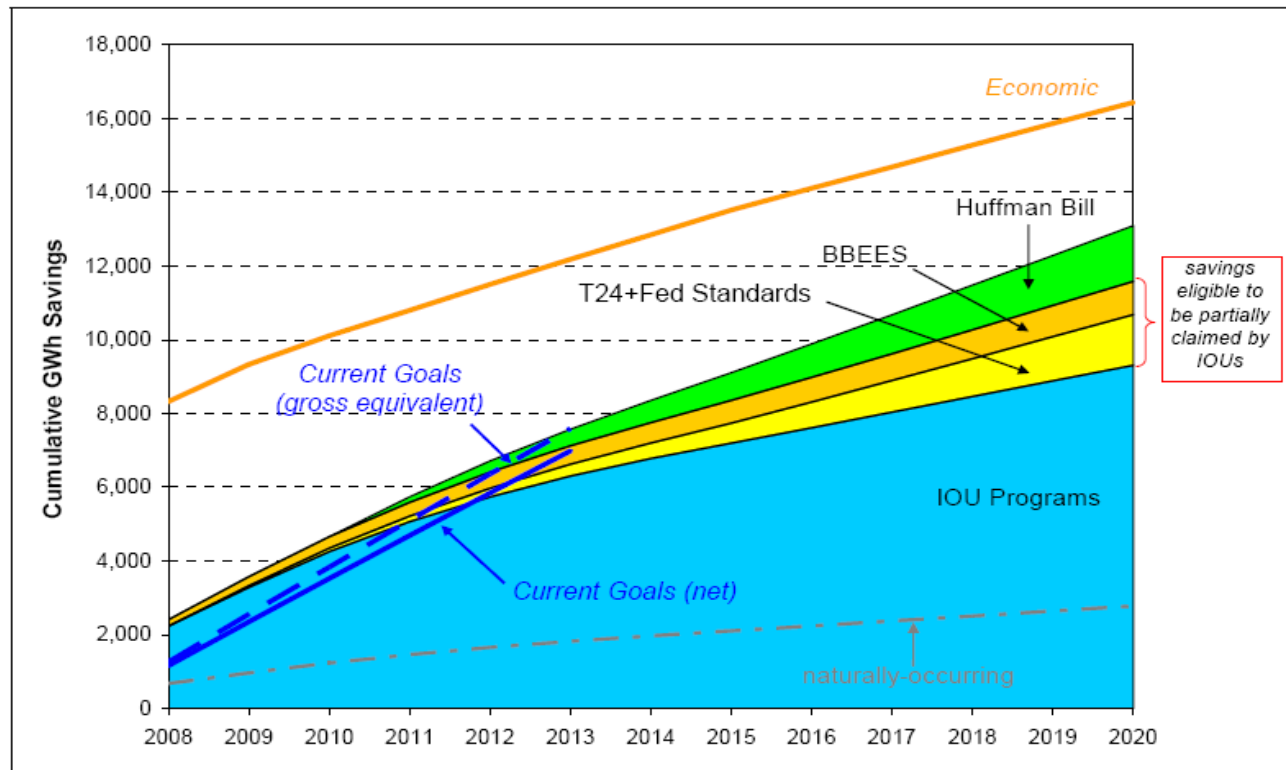
*Costs for this resource is highly site-specific and have wide ranges in cost depending on project location

Even California Can – and Must – Mine More EE

➤ Economics Drives Investment but GHG Drives Urgency

- Utility Resource Acquisition Programs
- Codes and Standards
- “Big, Bold” Market Transformation Strategies & Greater Leveraging with Many Other Actors

SCE Total Market Gross Mid-Case Scenario



Source: Itron, 2008

A Better Business Model Yields Bigger EE

- **SCE is authorized to recover the costs associated with its EE programs**
 - Cost recovery via Public Goods and Procurement charges

- **SCE EE program budgets**
 - 2006-08: \$750 Million
 - 2010-12: \$1.2 Billion (Adopted September 24, 2009)



Cost Recovery

A Better Business Model Yields Bigger EE

➤ Traditional Revenue Recovery

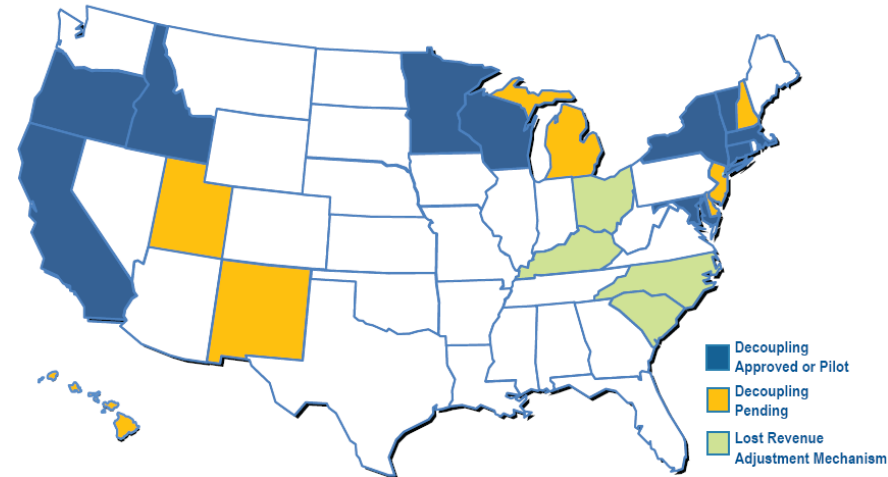
- Revenue recovery tied to sales (kWh)

➤ California's "Decoupled" Revenue Mechanism

- Revenue requirements set in accordance with expected costs and fixed for a specified term

- Rates are adjusted annually to account for differences between forecasted and actual sales and allow the utility to recover authorized revenue requirements

Lost Revenue Adjustment & Revenue Decoupling Mechanisms for Electric Utilities by State



Source: Institute for Electrical Efficiency, September 2009

Cost Recovery

Lost Revenue

Think Big: Portfolio, Not Programs

<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 	<ul style="list-style-type: none"> • 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 		

Ready to Deliver Unprecedented Savings, Together!

- **EE Program Administrators – Poised for massive, sustainable investment in EE**
 - Energy, Environment, Economy, Service & Satisfaction: You name it ...We got it!
 - Utility business models, regulatory frameworks, and energy policy are aligning to tap into investment dollars and leverage roles & responsibilities of everyone who impacts energy usage
 - Smart grids & meters will enable us to unlock and integrate conservation, efficiency, demand response, energy storage and distributed renewable resources

- **Federal & State Policymakers – From setting the stage to leading the charge**
 - Energy, Environment, Economy, Service & Satisfaction: You name it ...We got it!
 - Utility business models, regulatory frameworks, and energy policy are aligning to tap into investment dollars and leverage roles & responsibilities of everyone who impacts energy usage

- **Industry Partners -- Seize the opportunity!**
 - Let's redouble our efforts to work together to create – and grow strong in – our nation's new green economy!

Thank You!



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