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SOUTHERN CALIFORNIA EDISON

## POWER BULLETIN

### GOVERNMENT & INSTITUTIONS

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# SCE Previews Projected 2012 “Dynamic Pricing” Rate Changes

In 2012, Southern California Edison’s (SCE) rates will change significantly for business, government and agricultural customers. Because of California Public Utilities Commission (CPUC) requirements, SCE plans to begin moving all non-residential customers to mandatory Time-of-Use (TOU) rates in January 2012.

In addition, small and medium business customers and large agricultural and pumping customers will be changed to Critical Peak Pricing (CPP) rates in conjunction with TOU rates beginning in January 2012, but will be able to opt out of the CPP rate to a TOU rate. Large commercial and industrial customers began defaulting to the CPP rate in October 2009.

In compliance with CPUC orders, on Sept. 1, 2010, SCE filed its proposal for implementing these changes in its Dynamic Pricing Application (A.10-09-002). With the exception of large agricultural customers, SCE proposed that customers’ rates be changed only after installation of the new Edison SmartConnect™ meters and after customers have received 12 months of billing information from these meters.

With Edison SmartConnect meters, customers’ usage will be recorded every 15 minutes and will be made available online. Having a better understanding of daily electricity usage will allow customers to (1) better manage electricity costs, (2) understand how bills may fluctuate under TOU rates, and (3) determine if a CPP rate is right for them.

SCE plans to notify customers who become eligible for the new rates approximately two months prior to the date of the rate change. SCE also will provide customers with a rate analysis to help them select the rate option that best fits their needs.

## What Are TOU Rates?

Time-of-Use (TOU) rates are designed to vary during specific time periods throughout the day and year. For example, electricity rates are highest during the on-peak period, defined as noon to 6 p.m. on weekdays during the summer season (June 1 to Sept. 30). By reducing electricity use during the highest-demand on-peak periods, customers can reduce their electricity bills.

## What Is CPP?

The Critical Peak Pricing (CPP) rate is designed to provide an incentive to customers to reduce or shift electricity usage during four-hour CPP events, when the demand and price of electricity are higher. CPP provides reduced monthly on-peak demand charges during the summer season in exchange for the short-term energy price increases during CPP events. By reducing electricity usage during each CPP event, participants can avoid these higher prices and benefit from lower electricity bills.

In addition, participants receive bill protection for the first year on CPP, meaning the total amount they pay on CPP for the first 12 months will not exceed what they would have paid on their TOU base rate.

## Summary of Projected 2012 Changes by Customer Class

### Large Customers

All large customers (i.e. demands 200 kilowatts (kW) and greater) on CPP will receive a new capacity reservation option. To use this option, customers will select a Capacity Reservation Level, in kilowatts, similar to the Firm Service Level that applies to the Base Interruptible Program (BIP). Usage at or below the designated kW level would remain subject only to the applicable TOU rate; however, usage above the designated kW level would be billed on the CPP rate, receiving CPP credits and being subject to CPP event charges.

### Small and Medium Business Customers

For customers with demands less than 200 kW currently on GS-1 and GS-2 rates, SCE is proposing two CPP rate options: CPP-Lite and the full CPP rate. CPP-Lite will be similar to the full CPP rate except that its CPP event energy rates and credits will be set at 50% of the full CPP rate. Beginning in 2012, eligible customers will be placed on CPP-Lite unless they opt out to a mandatory TOU rate or select the full CPP rate.

### Agricultural and Pumping Customers

In 2012, SCE is proposing to divide agricultural and pumping customers into two rate groups: 1) customers with maximum demands below 200 kW and 2) customers with maximum demands equal to or greater than 200 kW. Those below 200 kW will be placed on mandatory TOU rates with the option to be placed on a CPP rate. Customers with demands 200 kW or greater will be placed on CPP rates unless they opt off.

Stay tuned for more updates on pending 2012 rate changes. You may also contact your account representative for any questions, plus information on how to save energy and money using SCE’s wide array of energy solutions.

## Reminder: Register for Fall Electricity Outlook Meetings

Learn more about electric utility issues, with a special emphasis on 2011 changes for rates, Demand Response programs and Direct Access, at one of SCE’s Fall 2010 Electricity Outlook sessions. Each session takes place from 8 a.m. to 9:30 a.m., with continental breakfast at 7:30 a.m.

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- Oct. 8, 2010: Torrance Doubletree, Event #26850
- Oct. 12, 2010: SCE's Customer Technology Application Center (Irwindale), Event #26641
- Oct. 15, 2010: Ventura Marriott, Event #26851
- Oct. 19, 2010: Santa Ana Embassy Suites, Event #26852
- Oct. 20, 2010: San Bernardino Hilton, Event #26853
- Oct. 26, 2010: SCE's Agricultural Technology Application Center (Tulare), Event #27306 (**NOTE:** New date/event number for this location)

You also can join an Electricity Outlook Webinar on Oct. 12, 2010, from 8 a.m. to 9:30 a.m. (event #26642). To register for a session, call 626.812.7537 or 800.336.2822, extension 42537.

## GOVERNMENT & INSTITUTIONS SEGMENT FOCUS

### Water District Puts Power Into Energy Savings at Recycling Facility

Already a leader in water conservation and recycling, West Basin Municipal Water District (West Basin) continues to step up its commitment to energy savings with enhancements to its Edward C. Little Water Recycling Facility (ECLWRF) in El Segundo, Calif., that are improving efficiencies and enabling demand response participation.

In late 2009, West Basin completed a major upgrade of the Supervisory Control and Data Acquisition (SCADA) system at the ECLWRF, receiving technology incentives from SCE through the Technical Assistance and Technology Incentives Program. This program provides eligible business customers with free demand response site assessments and offers financial incentives for installing eligible demand response equipment that reduces electricity usage during peak-demand periods.

#### Demand Response Opportunity

The ECLWRF produces 30 million gallons of recycled water daily, conserving enough drinking water to meet the needs of 60,000 households for a year. West Basin Manager of Operations Wyatt Won noted that the former data system was "maxed out" on what it could control, but the upgrade helps ensure ongoing reliability and allows the district to manage more equipment automatically.

As a result, West Basin entered into a third-party demand response contract, enabling it to reduce more than 1 megawatt of load when required and earn incentives in the process. This goes beyond the district's standard procedure of shifting equipment use to off-peak periods as much as possible. Won said the upgrade "made sense for us because it gives us the chance to support the district's commitment to environmental stewardship while saving money."

The upgrade also will allow the district to move forward with a planned expansion of the recycling facility, scheduled for completion in about two years. The expansion is part of West Basin's Water Reliability 2020 program to reduce dependence on imported water by 50% by the year 2020. Reducing use of imported water will also reduce West Basin's carbon footprint.

#### Solar Savings and Pumping Progress

The SCADA enhancement for West Basin, which wholesales imported water to 17 cities and private companies and 1 million people in southwest Los Angeles County, builds upon an ongoing partnership with SCE.

In late 2006, the district installed 60,000 square feet of fixed-tilt photovoltaic panels at the ECLWRF, receiving almost half of the system cost back through SCE self-generation incentives available at the time (solar incentives are now available through the California Solar Initiative program). The system produces 900,000 kilowatt-hours (kWh) annually, with a rated power output of 500 kW.



System improvements at West Basin Municipal Water District's Edward C. Little Water Recycling Facility are improving efficiencies and enabling reduction of more than 1 megawatt of load for demand response participation.

In addition, West Basin utilizes SCE's free pump tests to look for opportunities to increase energy efficiency, reduce costs and improve system reliability. These tests incorporate the latest in fluid flow and electronics measurement instrumentation.

"We are planning to change out or modify some pumps by installing variable frequency drives as a result of the findings," Won noted.

Won gave credit to the district's account manager for helping West Basin save energy and money.

"James Pasmore has been great," Won said. "He provides timely responses. If he doesn't know the answer, he knows where to get it."

For more information on how you also can benefit from SCE's wide array of energy management programs and services, contact your account representative or visit [www.sce.com/solutions](http://www.sce.com/solutions) and [www.sce.com/drp](http://www.sce.com/drp).

#### About West Basin MWD's Edward C. Little Water Recycling Facility

This facility is the only one of its kind in the world that produces five different qualities of "designer" or custom-made recycled water to meet the needs of West Basin's municipal, commercial and industrial customers.

The five types of designer water include:

- Tertiary Water (Title 22) for a wide variety of industrial and irrigation uses;
- Nitrified Water for industrial cooling towers;
- Softened Reverse Osmosis Water, meaning secondary treated wastewater purified by micro-filtration followed by reverse osmosis, and disinfection for groundwater recharge;
- Pure Reverse Osmosis Water for refinery low-pressure boiler feed water; and
- Ultra-Pure Reverse Osmosis Water for refinery high-pressure boiler feed water.