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COMMERCIAL SEGMENT

SOUTHERN CALIFORNIA EDISON

POWER BULLETIN

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SCE Projects Average Rate Decrease in June for Most Business Customers

Most Southern California Edison (SCE) bundled service business customers—meaning those who pay SCE for generation, transmission and distribution services—will benefit from a decrease in the generation component of SCE's bill, scheduled to take effect June 1.

The decrease is a result of the 2011 Energy Resource Recovery Account (ERRA) filing. ERRA is an annual regulatory proceeding created to pass through, with no mark-up, SCE's fuel- and energy-related costs to bundled service customers. The current soft market for the price of natural gas, which accounts for about half of SCE's energy portfolio, means lower fuel costs.

Projected average June 1 rate levels (in cents per kilowatt-hour) by SCE customer segment include:

- **Average Small and Medium Power:** 15.3¢/kWh (a decrease of 5.5% from March 2011)
- **Average Large Power:** 10.4¢ (a decrease of 6.9% from March 2011)
- **Average Agricultural and Pumping:** 12.0¢ (a decrease of 6.5% from March 2011)
- **Average Street and Area Lighting:** 18.6¢ (a decrease of 3.0% from March 2011)

Direct Access customers are expected to see a June 2011 average increase on the SCE component of their bill, with projections of 7.1¢/kWh for average small and medium power customers and 5.0¢/kWh for average large power customers (increases of 28.5% and of 31.0% from March 2011, respectively).

Regulatory filings could affect these Direct Access rate changes, and individual customers' rates will vary, so contact your account representative to discuss your specific situation. Also contact your account representative or visit www.sce.com for information on SCE offerings and solutions to help you save energy, money and the environment.

General Rate Case Update

Public participation hearings are scheduled for June on SCE's 2012 General Rate Case (GRC) application, followed by evidentiary hearings, with the California Public Utilities Commission (CPUC) expected to make a final decision in December of this year.

In a GRC proceeding, SCE proposes a three-year plan that outlines the infrastructure and related spending needed to maintain the reliability and security of the region's power delivery grid. The request is fully transparent and rigorously reviewed by the CPUC before adjusting customer rates.

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If approved, the 2012 to 2014 plan to increase investment in Southern California's electricity grid would result in an average increase of 7.55% above March 2011 rate levels. Specifically, GRC funds are needed to:

- Inspect, maintain and upgrade 1.5 million electric poles, more than 712,600 transformers and more than 88,200 miles of distribution lines
- Increase grid security
- Add smart grid components to integrate more renewable energy
- Prepare the region for plug-in electric vehicles
- Maintain a skilled workforce to handle upcoming changes to the grid and related customer service needs

The positive impacts of SCE's proposed expenditures from 2012 to 2014 for California are estimated as follows*:

- **Additional Jobs Supported Annually:** 12,760
- **Increase in Economic Value Added to State Annually:** \$2.8 billion
- **Total Economic Value of Proposed Spending:** \$21.8 billion
- **Increased Contribution to State and Local Taxes:** \$1.215 billion

* Source: HIS Global Insight

Dynamic Pricing Status

Per CPUC direction, last year SCE filed its Dynamic Pricing Application, proposing mandatory Time-of-Use (TOU) rates for all nonresidential customers, as well as default Critical Peak Pricing (CPP) rates for small and medium business customers (with demands less than 200 kW) and for large agricultural and pumping customers (with demands greater than 200 kW).

This year, the CPUC approved deferring dynamic pricing rate implementation from Jan. 1, 2012, to a later date. SCE proposes to implement mandatory TOU rates for nonresidential customers no sooner than Oct. 12, 2012. In addition, SCE recommends keeping CPP rates optional for small and medium business customers and large agricultural and pumping customers.

Stay tuned for more information on rate developments in the coming months. For questions on your specific rate situation, contact your account representative. To learn more about the 2012 GRC, visit www.sce.com/2012plan.

COMMERCIAL SEGMENT FOCUS

Carl's Jr.® Green Flagship Store Cooks Up Savings With Solar Power

Just off of the Ventura Freeway in Carpinteria, not far from Santa Barbara, locals and tourists frequently stop at a Carl's Jr.® restaurant and enjoy its premium-quality burgers and other popular food and beverages.

For this restaurant, however, which opened in early 2009, business is far from usual.

This Carpinteria flagship store is the first green unit of its parent company—CKE Restaurants Inc.—and uses extensive energy efficiency and other sustainability initiatives, including a 12-kilowatt (kW) solar energy system that can generate more than 19,200 kilowatt-hours of electricity annually.

The solar energy system includes 40 roof-mounted panels, which currently satisfy about 6% of the 4,500-square-foot restaurant's annual electricity needs. As a result of solar and the store's other energy-saving measures, this site uses an average of one-third less electricity (on a per-square-foot-per-day basis) than CKE Restaurants' top 25 newest stores.

Going Solar With a CSI Rebate of \$18,600

"We have made conservation an important part of our building designs for a long time, but had never done solar. What better opportunity to do so than right here in our backyard," said Jack Willingham, senior vice president of construction and design, referring to CKE Restaurants' corporate headquarters just two miles away.

CKE Restaurants received a statewide California Solar Initiative (CSI) rebate of \$18,643 for the solar energy system, which Willingham said "put us over the top to make a decision" and halved the project's payback period. The company will continue to monitor the system's performance, which Willingham said has been "maintenance-free" to date, and will consider adding additional, newer-generation panels to the store in the future to increase the overall system's electricity output.

Besides continually evaluating the performance of the solar energy system, CKE Restaurants uses the Carpinteria site to review a variety of eco-friendly options in action and determine their possible implementation in other stores.



This Carl's Jr. in Carpinteria uses a 12-kW solar energy system that can generate more than 19,200 kWh of electricity annually.

Some of the energy efficiency, conservation and sustainability measures at the store include:

- An energy management system to automatically control zone temperatures and lighting schedules
- More efficient LED (light-emitting diode) parking lot lights
- Reflective roofing material (on the areas not covered by solar panels) to cut heat absorption in the restaurant and reduce cooling needs
- Occupancy sensors to adjust lighting in low-traffic areas
- Solar tubes that allow natural sunlight into interior spaces
- A catalyst that converts charbroiler particulate into carbon dioxide and water, thereby reducing smoke, odors and emissions
- A rainwater reuse system, a smart irrigation system and drought-resistant plants as part of the landscaping

CKE Restaurants Energy Manager Juliann Rogers, who was instrumental in the completion of the flagship site, said that CKE Restaurants already uses ENERGY STAR® equipment in all of its stores. A corporate Green Team guides company-wide environmental initiatives to move forward on the path to greater sustainability.

Seeing Improvements in Years to Come

CKE Restaurants "wants to be recognized as a company that cares about the environment," Willingham said. While he believes that solar costs still need to drop for the return on investment to improve, he sees progress. "As energy costs continue to climb, the return on investment looks much better. In the future, the efficiency of new solar technology is going to continue to improve and increase output. Look how far it's already come in our lifetime."

CKE Restaurants worked closely with SCE Major Account Manager Cynthia Martin to complete its solar project and receive the CSI rebate. For more information on how you also can benefit from this program, contact your account representative or visit www.sce.com/csi.

More About the California Solar Initiative



The CSI program provides incentives to customers who install eligible solar generating systems that help offset their own electric usage. Business owners are eligible to take a 30% Federal Investment Tax Credit (U.S. Federal ITC) on the net cost of their system after the CSI rebate and may claim accelerated depreciation on the solar energy system. The combination of the CSI rebate, Federal ITC and accelerated depreciation can cover as much as 45% of the average installed costs of a solar system for the business owner*.

* SCE does not provide tax advice. Consult the IRS or your tax consultant for details.



Mark Your Calendars for West Coast Energy Management Congress

Don't miss the upcoming West Coast Energy Management Congress, the largest energy conference and technology expo held on the U.S. West Coast specifically for commercial, industrial and institutional energy users. It takes place June 15-16 at the Long Beach Convention Center, hosted by SCE and presented by the Association of Energy Engineers. For details and to receive your complimentary exhibit hall pass, visit www.energyevent.com/.