



SOUTHERN CALIFORNIA
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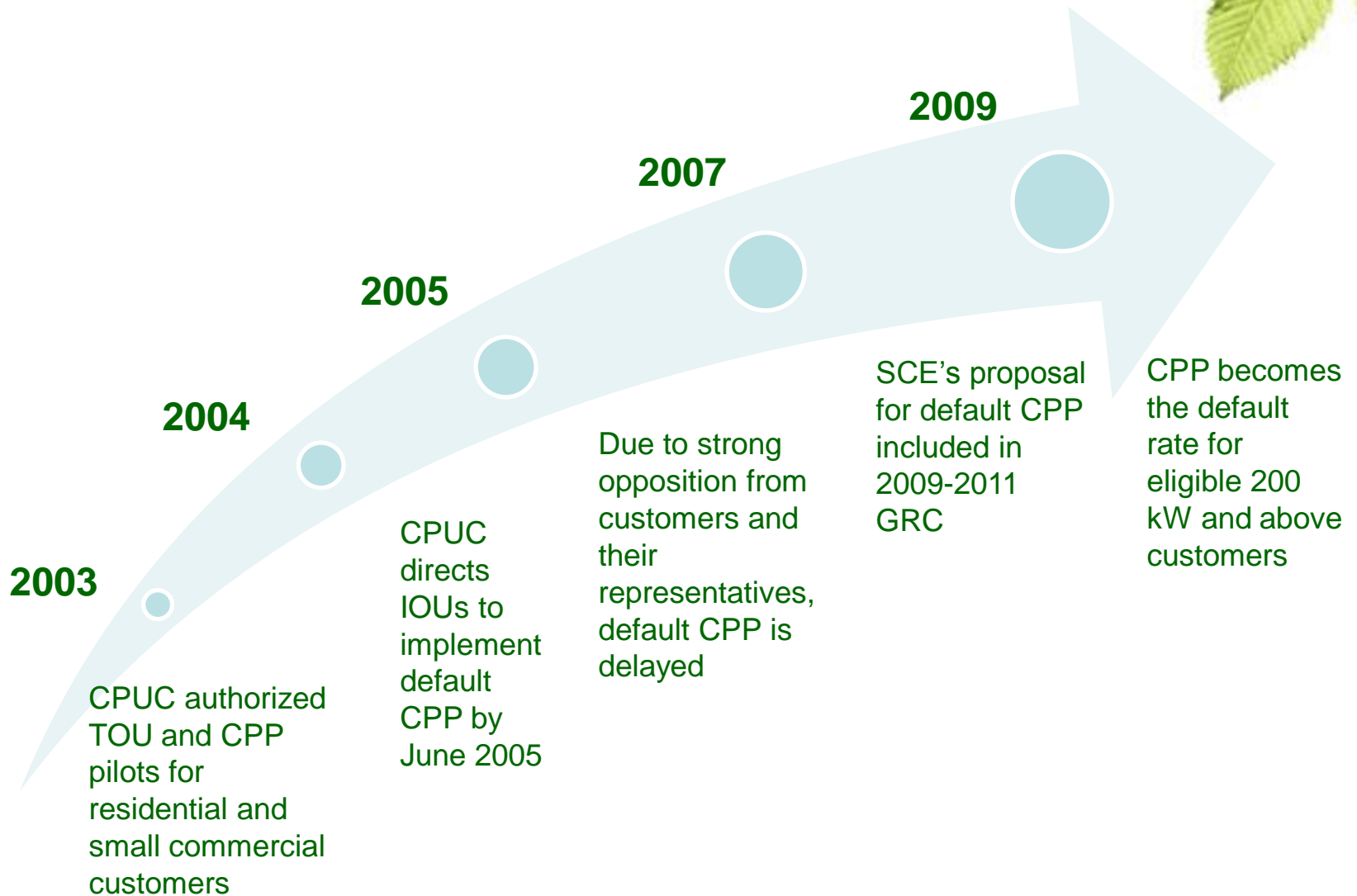


Critical Peak Pricing (CPP) for SCE Large Business Customers

Presented by Kevin Wood

July 12, 2011

CPP History



What is Critical Peak Pricing (CPP)?

Customer Value Proposition

- ❖ Discounted on-peak demand charges during summer
- ❖ Energy charges rise during events
- ❖ Bill protection for the first 12 months

SCE Value Proposition

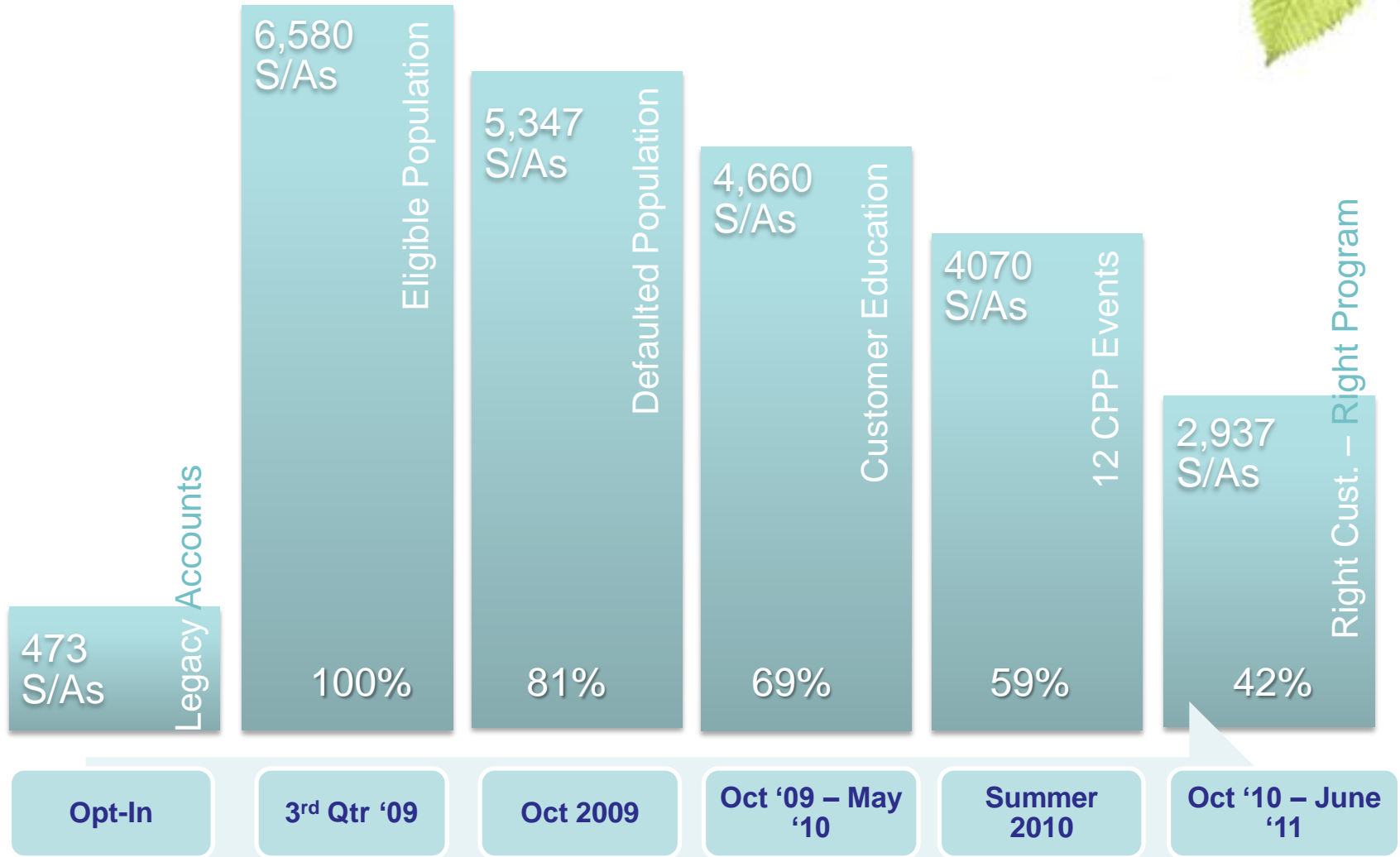
- ❖ Load reduction during most expensive days per year
- ❖ Triggers include wholesale energy price, system and grid emergencies
- ❖ Revenue neutral around 12 events



• **Approx \$12/kW Summer On-peak Demand Credit**

• **\$1.36/kWh event period charge**

Enrollment and Retention History



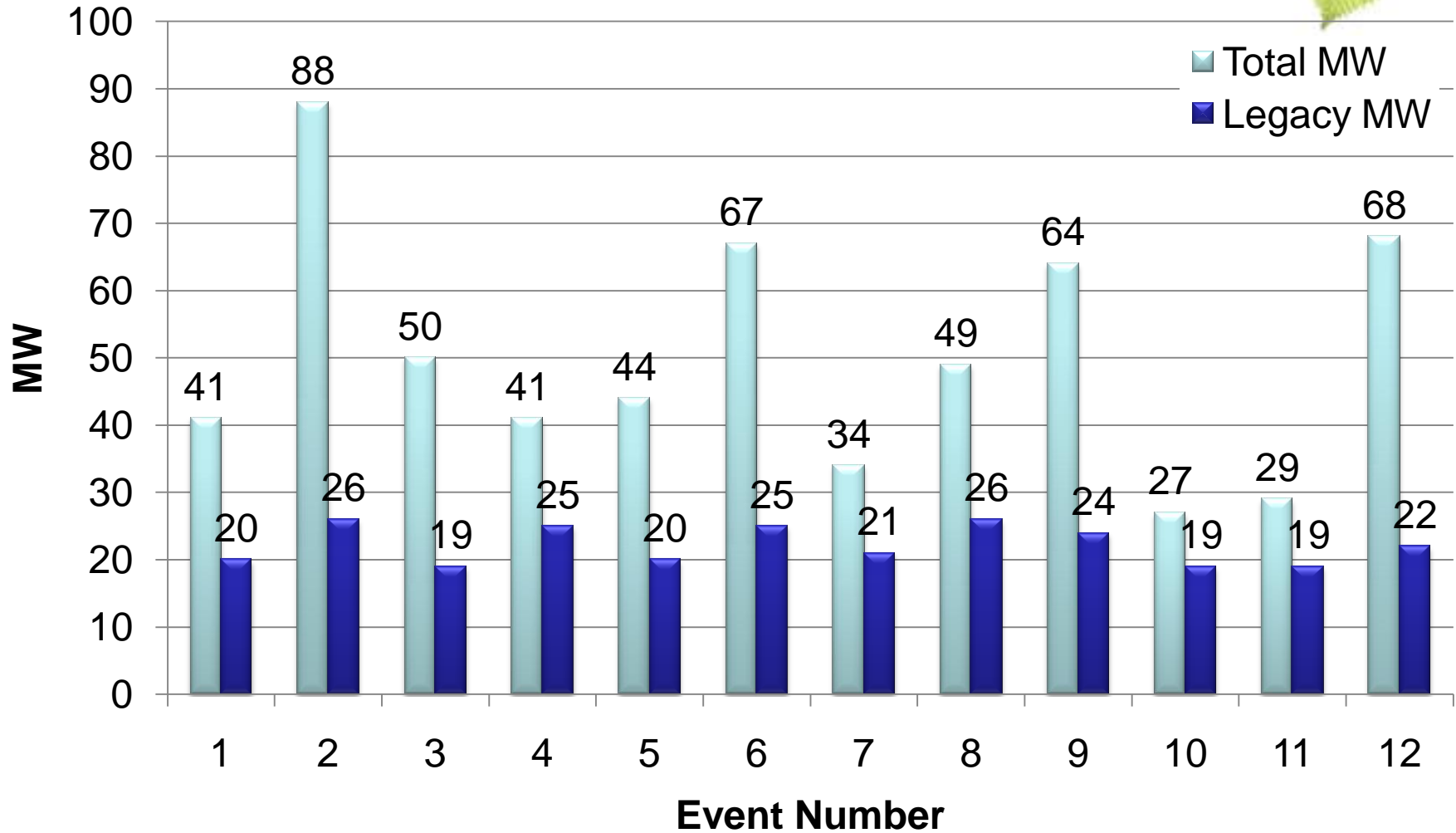
Marketing and Outreach

Coordinated multi-channel approach

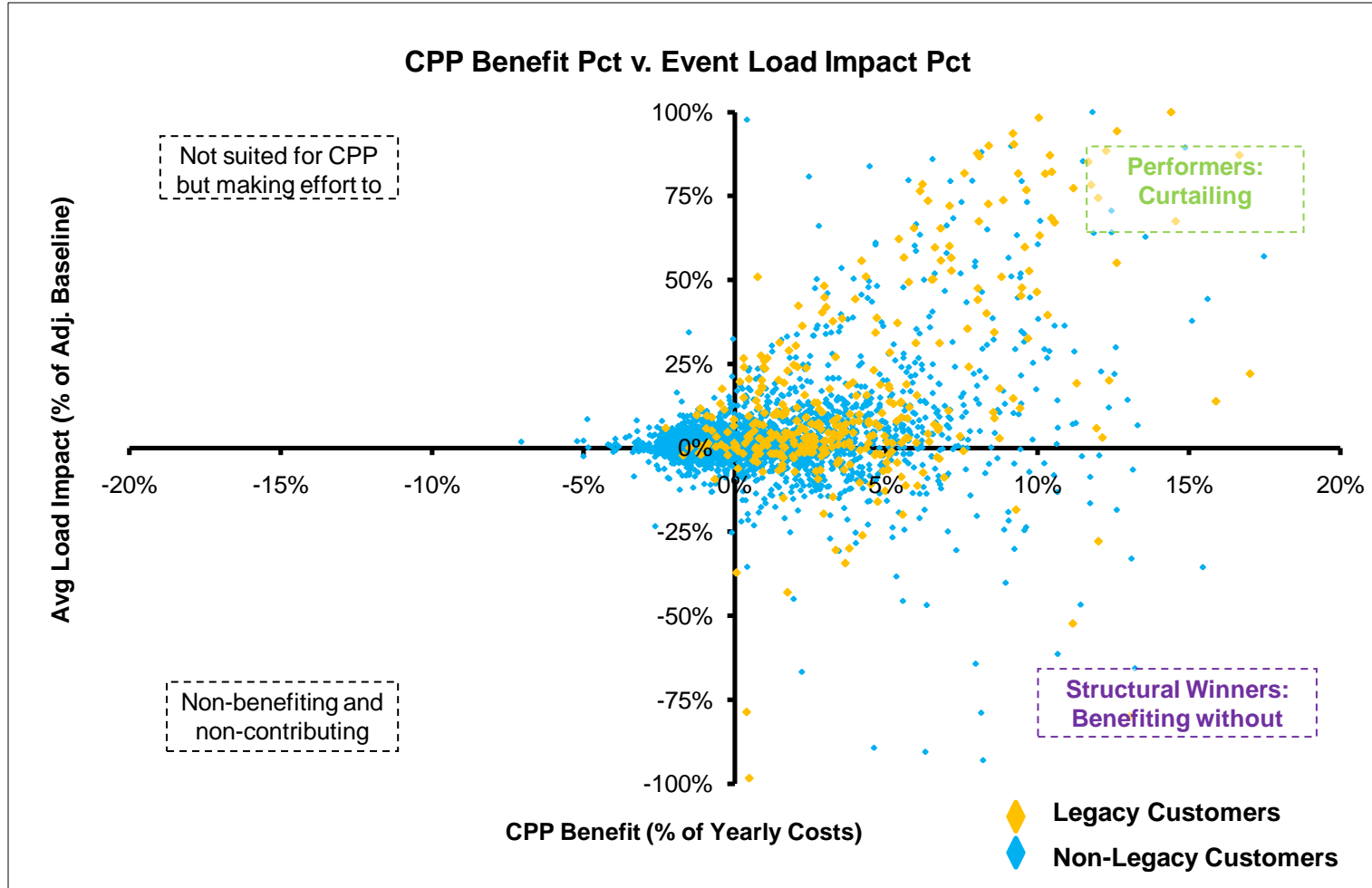
- Personal Account Rep Interaction
 - Consultative ‘Trusted Energy Advisor’
 - Cross-selling
- Education and outreach
 - Rate Analyses
 - Spring Energy Outlook
- Marketing communications
 - Customized (segment-specific) collateral and tools



Load Reduction – By Event

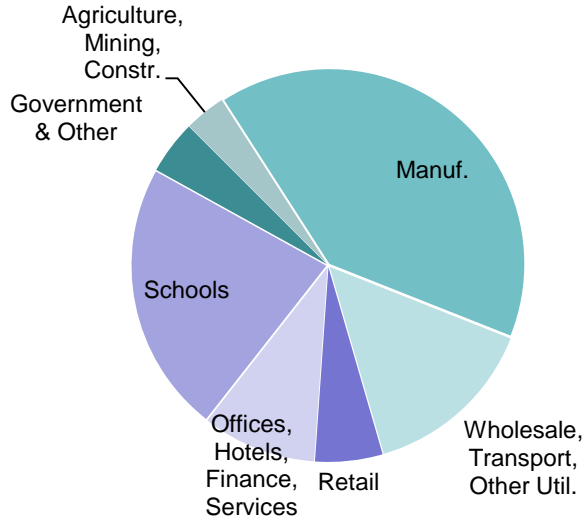


Load Impact and Customer Financial Benefit

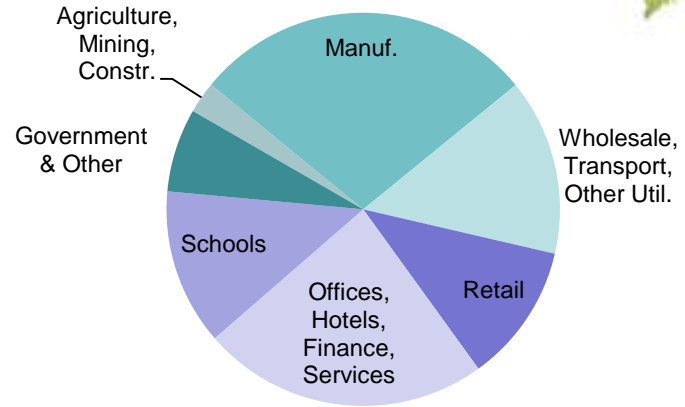


Who are the Performers?

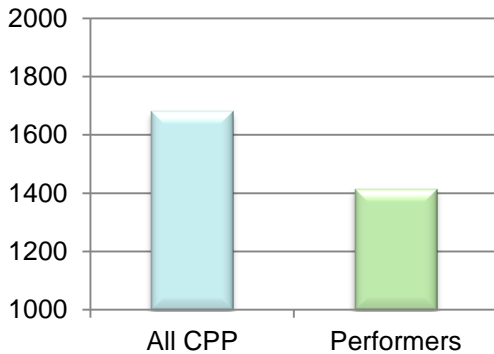
Performers



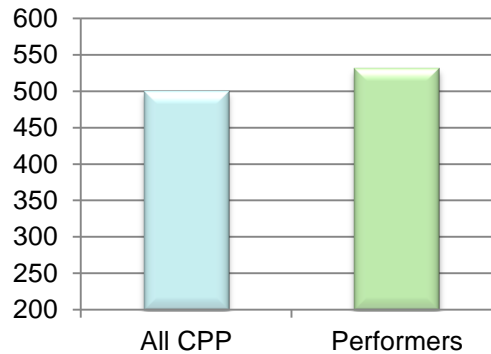
All CPP



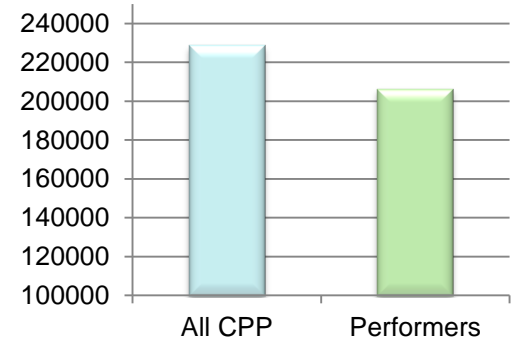
Annual MWh Usage (Cust. Avg)



Annual Max kW (Cust. Avg)



Annual \$ Bill (Cust. Avg)



Other Survey Results

78%

- Indicated that reducing energy bill and saving money was their reason to participate

22%

- Were unclear or not aware they could opt out

81%

- Knew a CPP event was coming prior to the event day

56%

- Encountered challenges during events

52%

- Did not know their estimated savings on CPP

62%

- Intend to continue on the rate for the 2011 summer season

Conclusions

- ❖ Some customers with savings negatively affect the program load impact
- ❖ Legacy customers provided 65% of the load impact
- ❖ 70% of customers had bill impacts between +/- 2%
- ❖ Account Reps were critical in keeping customers on the program and gathering notification information
 - Effort consumed valuable Account Rep bandwidth
- ❖ Customers want 17% bill savings on average to make CPP worth the effort

Looking Forward to 2011

- ❖ Account Reps engaging customers and addressing key points:
 - Promote or retain customer on a price response program
 - Proactively contact CPP customers with savings less than 4%--consult and suggest best rate and/or DR options
 - Promote Demand Bidding Program to CPP customers that dropped an average of 30 kW, and saved less than 4% on CPP
- ❖ Reconsider CPP default for smaller customers

Thank You!



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