



LADWP EE Potential Study: Innovative Approach to Achievable Potential

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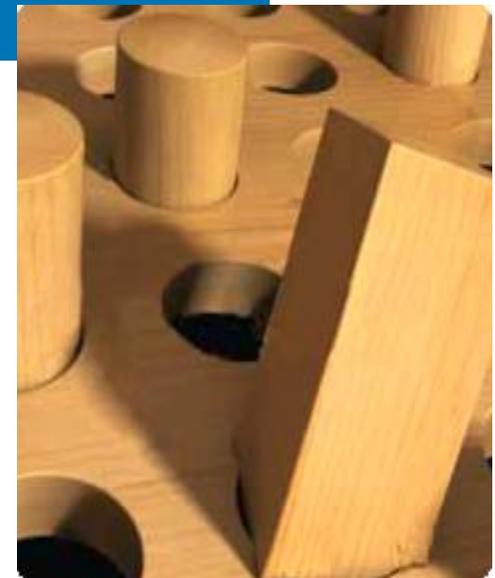
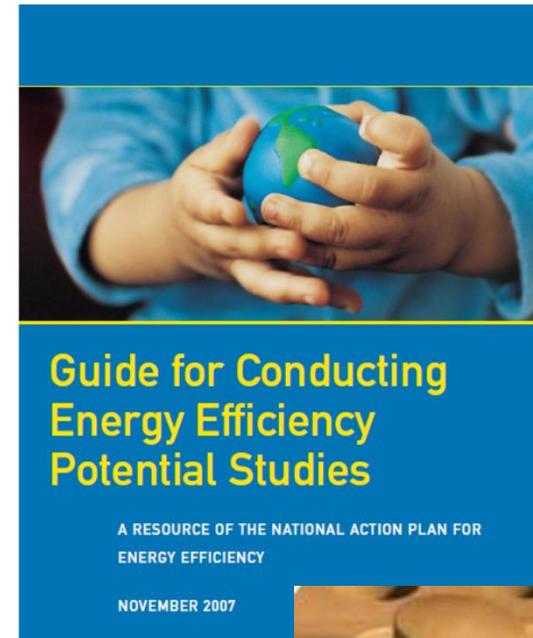
Next Century Water and Power: Why Energy Efficiency?



- Drivers:
 - LADWP plans to exit coal by 2025
 - AB 32 – Environmental Leadership
 - Coal about 33% of power supply today
 - Transportation Electrification
 - AB 32
 - 100% conversion of LDV would double our load
 - Other drivers: population growth, climate change, rising affluence (plug loads)
- Options:
 - New Power Sources
 - Natural gas
 - Renewables – 33% State-mandated by 2020
 - Energy Efficiency (EE) – 15% goal by 2020
 - How much more EE and Renewables by 2030?
2050?

Study Overview

- Assessment of EE market potential
 - Long-term potential
 - Interim program goals in 2020 and 2023
- Align with industry protocols
- Avoid “one-size-fits-all” approach
- Produce customized, meaningful results

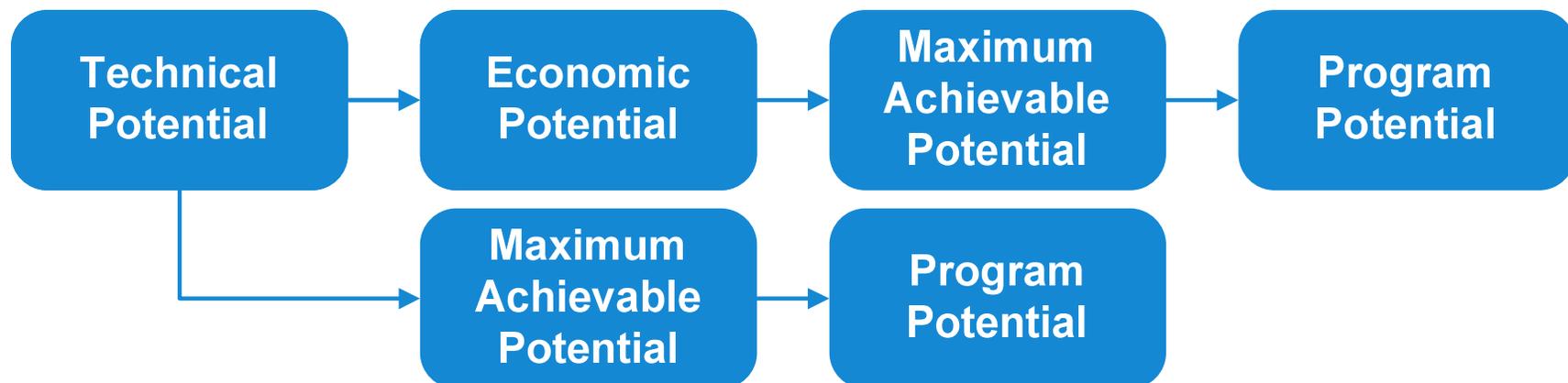


Research Objectives

- Realistic assessment of EE program potential
 - Program Planning
 - Confirmation/Updated EE Goals

- Consider specific characteristics of territory
 - Market maturity
 - Bundled offerings

- Focus on customer-level cost-effectiveness



Approaches Considered

1. Customer Measure Bundles

- Current LADWP Programs
- End-Use Segments
- Sub-Sectors

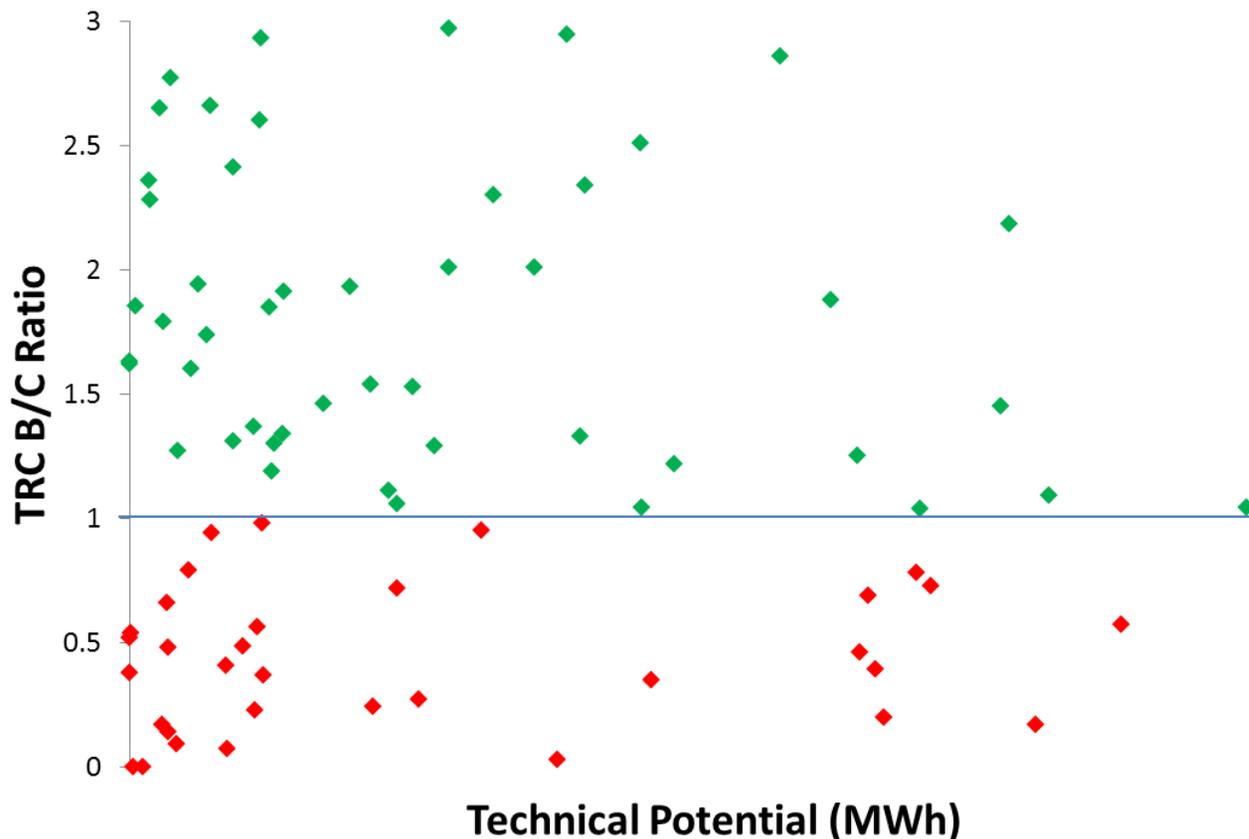
2. Sector-Level Cost-Effectiveness

- Relaxed measure screening
- Target sector TRC ratio ≥ 1.0



Final Methodology

- Including all technically feasible measure produced low sector-level TRC
- Iterative optimization process applied

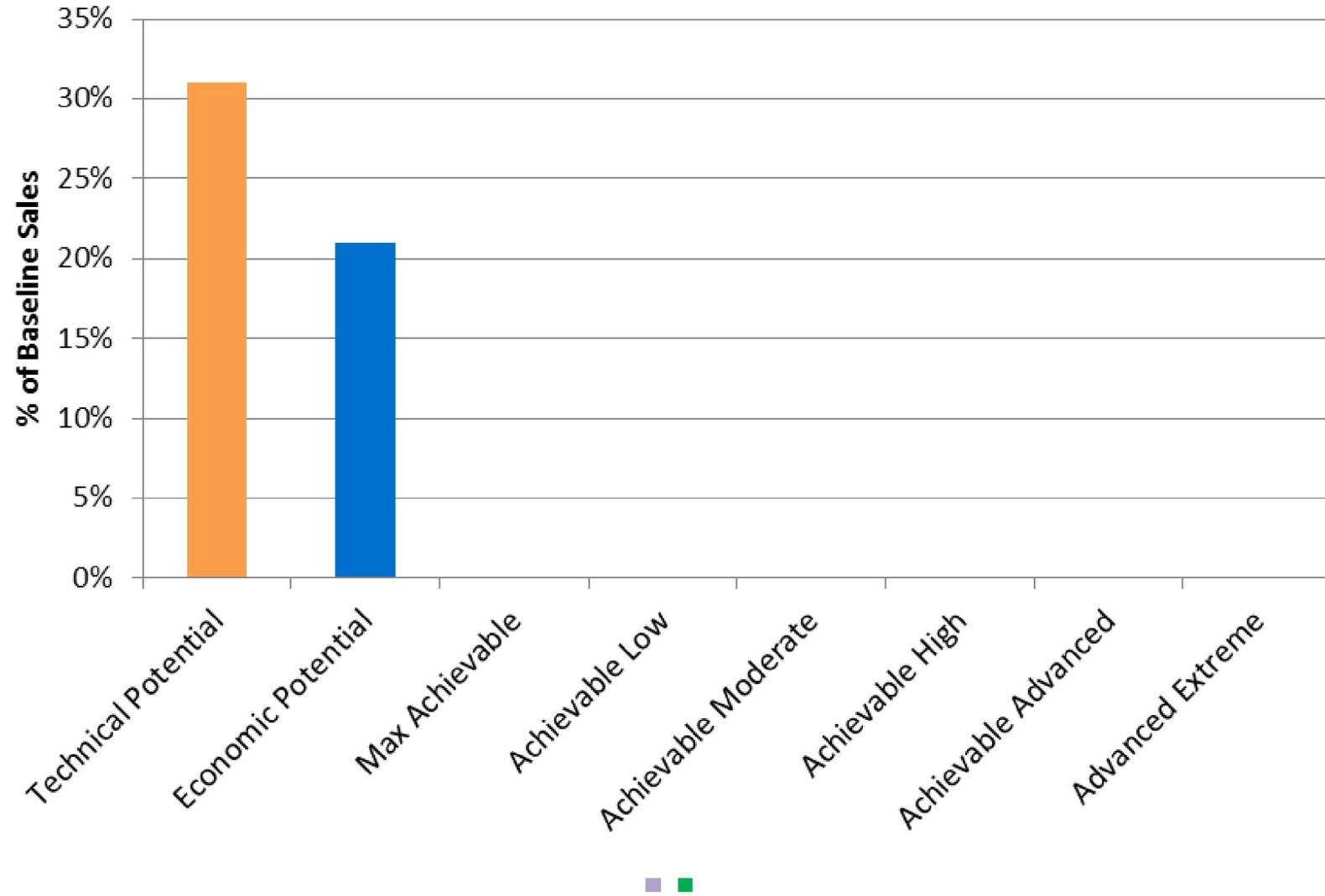


Final Methodology

- Applied TRC threshold of 0.3 to measures in each sector
- Additional applicability factors needed for Residential

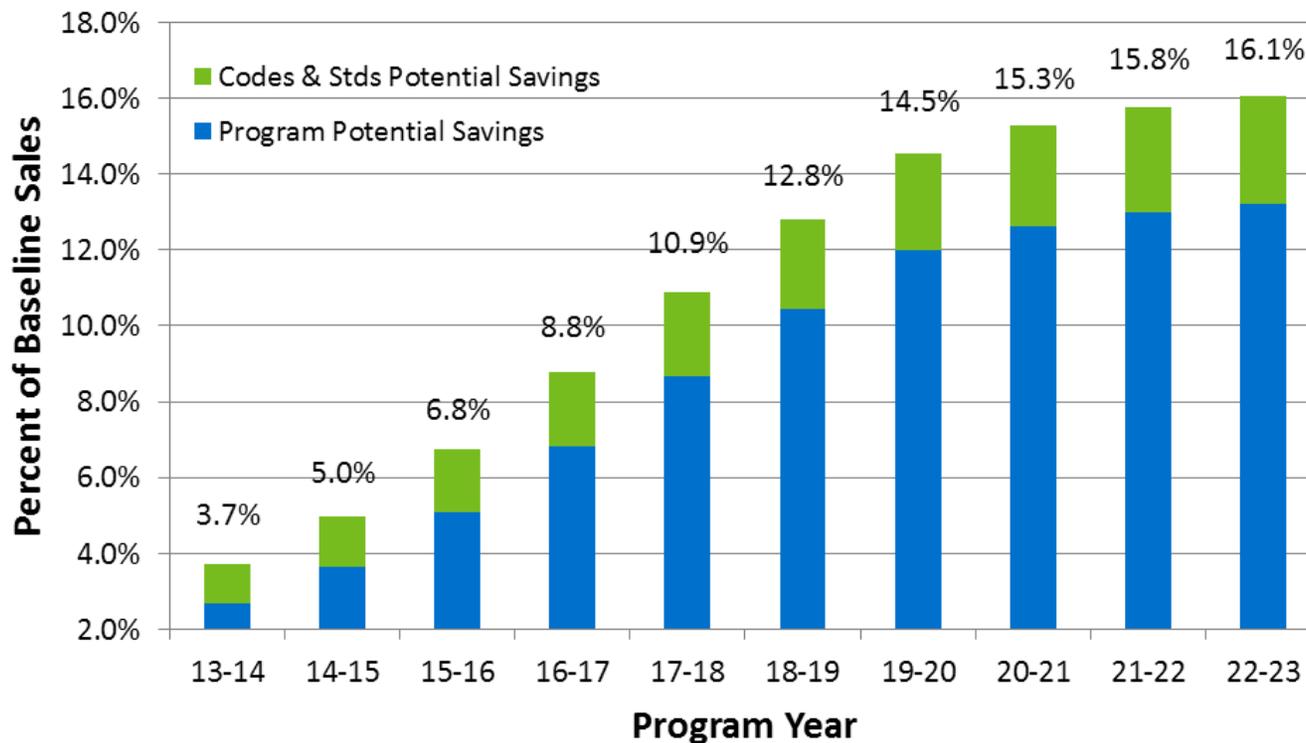
Residential Sector	
Benefit-to-Cost Ratio	Applicability Adjustment
Up to 0.3	0%
0.3 to 0.5	5%
0.5 to 0.8	15%
0.8 to 1.0	30%
1.0 and above	100%

Study Results



Conclusions

- Successfully adapted traditional approaches with utility-specific characteristics
- Identified realistic program potential for LADWP’s long-term and short-term EE program planning and development





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