Clean Energy Optimization Pilot
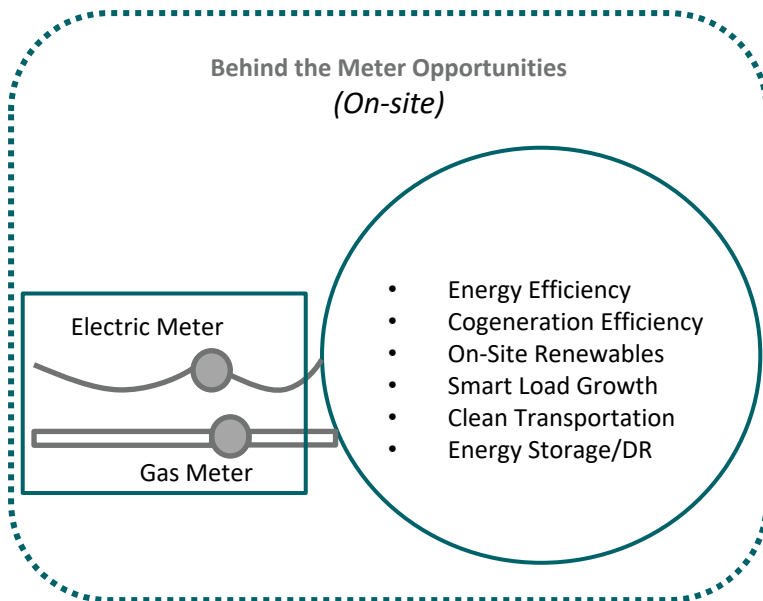
Clean Energy Optimization Pilot Overview

Background:

Part of SCE's pathway to enabling a clean energy future, focuses on helping our customers make cleaner energy choices. SCE is continuing to explore the development of programs that specifically focus on GHG emissions reduction that will allow customers to choose and implement technology solutions that best suit their needs, while helping California achieve its aggressive environmental goals.

Opportunity:

Incent and accelerate *on-site, behind the meter* opportunities

Behind the Meter Opportunities
(On-site)

Electric Meter

Gas Meter

- Energy Efficiency
- Cogeneration Efficiency
- On-Site Renewables
- Smart Load Growth
- Clean Transportation
- Energy Storage/DR

Objective:

Through this pilot, SCE will demonstrate how a utility can facilitate offerings that directly **incent** and **accelerate** on-site behind the meter GHG emissions reduction opportunities with large customers through a performance based GHG incentive.

| GOALS	BENEFITS
• **Pilot an incentive framework to encourage customers to reduce GHG emissions**	✓ **Alignment with the State's and customers' aggressive GHG reduction goals**
• **Determine the effectiveness and impacts of a performance based GHG incentive program**	✓ **Allows the flexibility to focus on multiple technologies**
• **Determine customer preferences of technology using performance based GHG incentive**	✓ **Incentive payouts are performance based**
	✓ **Allows for scalability of opportunities across multiple industry sectors**

Pilot Customer: UC Office of the President and California State University System

Timeline: 4 years after CPUC approval

Short Term Funding: GHG Cap and Trade Auction Revenues *(D. 14-10-033)*

How the GHG Incentive Works

- **Step 1**: Inputs (all meters within the "fence line")
  - Electric Meter(s)
  - Natural Gas Meter(s)
    - Both co-generation and heating
- **Step 2:** Adjustments
  - Electricity used for Transportation
  - Control Factors – Weather and Square Footage
- **Step 3:** Conversion to GHG
- Output
  - **Baseline** GHG trajectory (bold line), or
  - **Performance** in GHG tons/sq. ft. (green arrows)
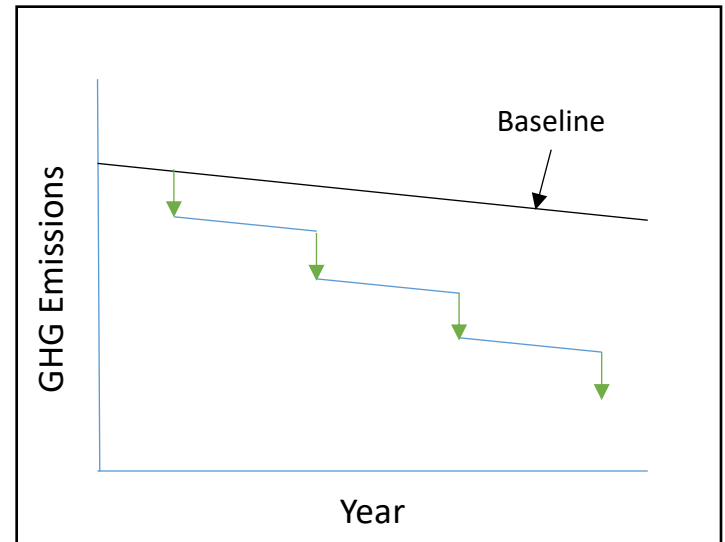
Incentive will be based on Commission approved price for per metric ton of CO_2 reduction (IRP Proceeding).