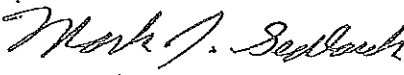

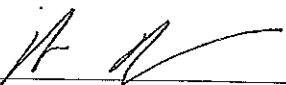


LOS ANGELES DEPARTMENT OF WATER AND POWER (LADWP) BOARD APPROVAL LETTER

TO: BOARD OF WATER AND POWER COMMISSIONERS		DATE: July 23, 2012
  MARK J. SEDLACEK Director of Environmental Affairs		SUBJECT: LADWP Guiding Principles for the Development and Implementation of the Energy Efficiency Portfolio
 ARAM BENYAMIN Senior Assistant General Manager Power System		
		FOR COMMISSION OFFICE USE: RESOLUTION NO. _____
CITY COUNCIL APPROVAL REQUIRED: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	IF YES, BY WHICH CITY CHARTER SECTION:	

PURPOSE

The attached Resolution recommends approval of a set of guiding principles for the development and implementation of the Energy Efficiency Portfolio, which will set a long-term vision of the benefits to LADWP customers that the Portfolio is expected to deliver.

COST AND DURATION

The proposed Resolution carries no specific costs of its own; all efficiency efforts undertaken in support of the guiding principles set forth are to be funded through efficiency budgets adopted in separate LADWP Board of Water and Power Commissioners (Board) resolutions.

BACKGROUND

Because the electric demand on LADWP continues to grow, the Board adopted a goal of achieving 10 percent energy efficiency and a target of 15 percent energy efficiency by 2020 and seeks to be a leader in energy efficiency investment and savings. This will require that LADWP establish specific near-term, mid-term, and long-term strategies to assist in achieving its energy efficiency goals. In order to achieve these targets, LADWP seeks to create a balanced portfolio of energy-efficiency programs that provides

opportunities for all customers and customer segments to benefit from cost-effective energy efficiency. This approach targets large energy and water users, assists hard-to-reach customers who would not otherwise be able to invest in energy-efficiency services, broadly addresses energy end uses in the built environment, focuses on reducing consumption during times of peak demand, and provides quality job opportunities for the local workforce. In order to plot a strategic course towards achieving these objectives, LADWP seeks to establish a set of guiding principles that will shape design, and implement the energy-efficiency program.

ENVIRONMENTAL DETERMINATION

In accordance with the California Environmental Quality Act (CEQA), it has been determined that this work is exempt pursuant to the General Exemption described in CEQA Guidelines Sections 15061(b)(3). General Exemptions apply in situations where it can be seen with certainty that there is no potential that the activity in question may have a significant effect on the environment.

RECOMMENDATION

It is recommended that your Honorable Board adopt the attached Resolution authorizing execution of this set of guiding principles for the development and implementation of LADWP's Energy Efficiency Portfolio.

DJ:ms

Attachment

e-c/att: Ronald O. Nichols

Richard M. Brown

Aram Benyamin

James B. McDaniel

Philip R. Leiber

Ann M. Santilli

Gary Wong

Mark J. Sedlacek

David Jacot

RESOLUTION NO. _____

WHEREAS, California's energy consumption continues to grow due to population growth, development patterns, increased electric vehicle use, and other factors; and

WHEREAS, in 2006 California's AB 32 amplified the need for intensive energy-efficiency efforts across the State such that in 2007 the CPUC created a strategic framework to make energy efficiency a way of life in California; and

WHEREAS, the electric demand on LADWP continues to grow and California has established a loading order for new electricity supply side resources in which cost-effective energy efficiency is the resource of first choice for California energy needs, because energy efficiency is recognized to be the least cost, most reliable, and most environmentally sensitive resource, and minimizes our contribution to climate change; and

WHEREAS, the Board of Water and Power Commissioners (Board) adopted a goal of achieving 10 percent energy efficiency and a target of 15 percent energy efficiency by 2020 and is seeking to be a leader in energy-efficiency investment and savings, which will require that LADWP establish specific near-term, mid-term, and long-term strategies to assist in achieving its energy-efficiency goals; and

WHEREAS, the LADWP, like many utilities around the country, faces a shortage of skilled craft workers, while unemployment rates remain high; and

WHEREAS, the LADWP seeks to create a balanced portfolio of energy-efficiency programs that provides opportunities for all customers and customer segments to benefit from cost-effective energy efficiency, targets large energy and water users, assists hard-to-reach customers who would not otherwise be able to invest in energy-efficiency services, broadly addresses energy end uses in the build environment, focuses on reducing consumption during times of peak demand, encourages voluntary energy-efficiency activities, and provides quality job opportunities for the local workforce.

NOW, THEREFORE, BE IT RESOLVED that the Board adopts these guiding principles for the development and implementation of the Energy Efficiency Portfolio in order to achieve the goals set forth above:

- LADWP will aggressively promote and achieve energy efficiency across all customer segments and energy end uses as a key part of LADWP's long-term, supply-side energy procurement strategy.
- Residential customers will be assisted in achieving ultra-high levels of energy efficiency in and around their homes with proven economical potential for energy efficiency, demand response, and clean energy production routinely realized on a fully integrated, site-specific basis.


- Commercial customers of all sizes will be assisted in achieving ultra-high levels of energy efficiency in and around their businesses with proven economical potential for energy efficiency, demand response and clean energy production routinely realized on a fully integrated, site-specific basis.
- Industrial customers will be empowered to demonstrate leadership in proven, economical energy efficiency and resource management, which will positively impact their operations.
- Eligible low-income customers will receive tangible economic benefits of energy efficiency through the mass adoption of proven, economical, low-income energy efficiency measures.
- The future benefits of the widespread adoption of energy efficiency throughout LADWP territory will be leveraged to support the continued development of quality job opportunities for the local workforce including opportunities at LADWP to address future needs for critical skilled craft positions.
- LADWP is committed to transparency in the administration of its overall energy efficiency portfolio, and will report semi-annually on progress towards saving energy, serving a broad range of customers throughout the city, as well as on the training and job creation that results from energy efficiency investments. The LADWP will provide performance measurement and verification of actual realized energy savings.
- LADWP will collaborate with community organizations to provide outreach and education for its diverse customer base, including hard-to-reach customers such as small business, low-income customers and multi-unit dwellings.

BE IT FURTHER RESOLVED that the LADWP will work with the City of Los Angeles (City) to develop and adopt a broad range of continually improving minimum mandatory and higher voluntary sets of energy codes and standards that will accelerate the widespread deployment of zero-net energy and highly efficient buildings and equipment. The effectiveness of codes and standards will be enhanced by improved code compliance efforts led by the City, as well as coordinated voluntary efficiency activities led by LADWP.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of the Resolution adopted by the Board on

Secretary

APPROVED AS TO FORM AND LEGALITY
CARMEN A. TRUTANICH, CITY ATTORNEY

AUG 03 2012
BY 
WILLIAM H. KYSELLA, JR.
DEPUTY CITY ATTORNEY