





- **\$7 million Energy Efficiency Retrofit**
 - LED Lighting
 - Variable Speed Drives and Motors
 - Computer controlled window tinting
 - New Chillers
 - Advanced Controls
- **\$ 900k annual savings**
 - Cut energy bill by more than half
 - Save 2.5 million gallons of water *per month*
 - Positioned to get LEED-EB certification
- **Financed off balance sheet**
 - Used Commercial PACE financing
 - Able to invest entire \$20 million PIP in front of house
 - Chillers sized to handle 300 room expansion

We Need 1000s More



- **AB 32 – GHG Reduction Law**
 - Energy Efficiency is cheapest – if you can get it
 - Feeling the effects of climate change
- **33% Renewable Portfolio Standard**
 - No new coal or extension of coal contracts
 - Electricity prices rise quicker than historic average
 - Need to reduce consumption just to keep bills flat and not crowd out other investment
- **Jobs and Economic Development**
 - Energy Efficiency is local and labor intensive
 - Other spending stays at home compared to paying energy bills

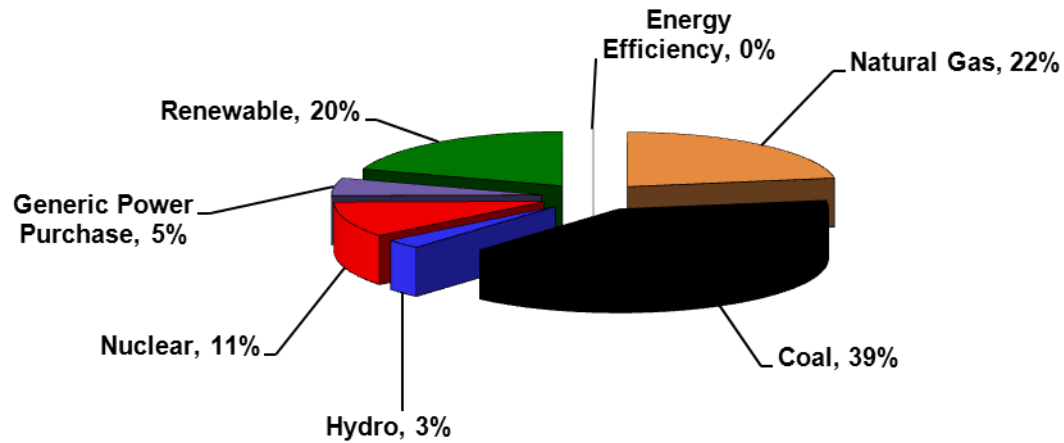
We Need 1000s More



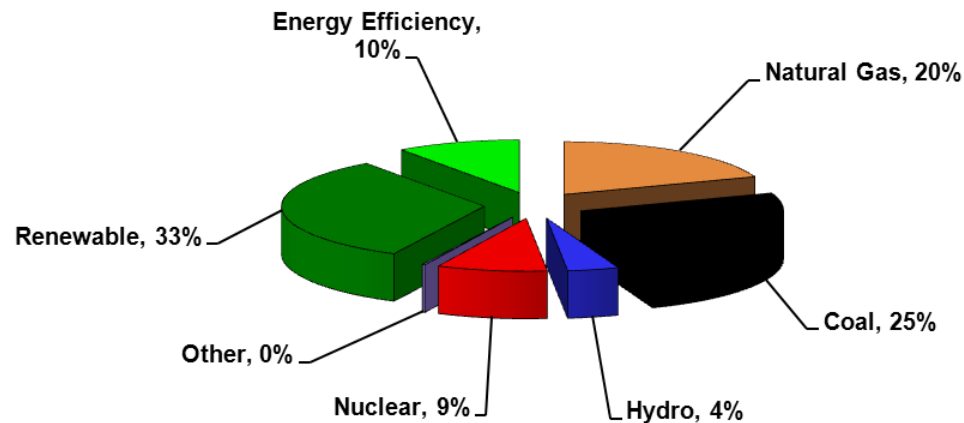
- LADWP plans to exit coal by 2025
 - Coal about 33% of power supply today
- Replacement power
 - Renewables – 33% State-mandated RPS
 - Natural gas in quick-start plants
 - Energy Efficiency – 10% LADWP-adopted goal
- Renewables and EE
 - Combined will serve at least 43% of power needs by 2020
 - Studying new goal of 15% EE

LADWP Power Supply Mix

2010



2020



A Significant Investment – Missing Targets



- LADWP Board adopted EE goal for 2020
 - 10% of expected supply needs
 - 15% target under review via EE potential study currently underway
- Either goal will require a sustained effort
 - Industry Benchmark: “Successful” EE programs reduce consumption about 1% to 1.5% per year
 - LADWP’s EE programs reduced consumption:

FY 2010-11	0.5%
FY 2011-12	0.5%
FY 2012-13	0.8%
 - **Current goal of 10% reduction between 2010 and 2020 will require sustained 1.2% reduction per year between FY 2013-14 and FY 2019-20.**
- LADWP Board adopted EE budget of \$127M for FY 12-13 and \$137M for FY 13-14

Los Angeles GHG Profile

Table 1. 2010 GHG Inventory for Los Angeles

Sector	Emissions	Percent
<i>Included Emissions (MT CO₂e)</i>		
Building Energy - Residential	7,394,322	19%
Building Energy - Nonresidential	12,389,857	32%
Industrial Stationary Sources	5,363,683	14%
On-Road Transportation	11,617,430	30%
Solid Waste	1,164,262	3%
Wastewater Treatment	171,236	<1%
Water Conveyance	617,175	2%
Agriculture	8	<1%
Total Emissions	38,717,974	100%

Mayor Eric Garcetti

WE KNOW THE MONEY AND EXPERTISE EXISTS. WE KNOW THERE ARE LOTS AND LOTS OF BUILDINGS THAT COULD SAVE MONEY, REDUCE THE BURDEN ON OUR UTILITY INFRASTRUCTURE AND HELP OUR ENVIRONMENT BY MAKING ENERGY UPGRADES. BUT THE TWO – THE BUILDINGS AND THE MONEY – ARE SIMPLY HAVING A HARD TIME CONNECTING.

THIS IS A CLASSIC MARKET FAILURE. AND WHEN MARKETS FAIL, THAT IS THE TIME FOR GOVERNMENT TO STEP IN AND MAKE CORRECTIONS.

