



Local Government Street Light Update

Process and Information Overview

Version 7 June 2016 JCK

Leading the Way in Electricity™

Acquisition Opportunity Update

❖ Acquisition Queue and Project Status

- ❖ An amendment to SCE's AB 719 tariff proposal was approved by the CPUC on 1 June 2016. The amended allows customers to request LED replacements for LS-1 high pressure sodium fixtures with a net savings
- ❖ SCE stopped accepting checks and requests for street light valuations as of the close of business on August 15, 2015. Local governments had an opportunity to enter the valuation queue and be included by requesting an invoice and paying the \$10,000 valuation fee during the several years leading up to August 15, 2015.
- ❖ Local government customers that are currently awaiting valuation studies or who have received their valuation report continue to be eligible to purchase street lights. Local Government customers that received their valuation report prior to August 15, 2015, will have until August 15, 2016, to enter into a sales agreement with SCE. Customers that are in the queue and receive their valuation report after August 15, 2015, will have one year (365 days) from the date that the valuation report is presented to the local government customer to complete and enter into a sales agreement with SCE.

LS-1 Option E (AB 719 Tariff)

- ❖ On 1 June 2016, LS-1 Option E (also referred to as the AB 719 Rate) became available as an option for customers to request LED technology on SCE owned LS-1 street lights. Customers do not pay any up-front cost, and in most cases, should expect to see a savings after implementation when compared to their current High Pressure Sodium Vapor (HPSV) tariff. The LS-1 Option E tariff incorporates an energy efficiency premium, which recovers the capital cost of new fixtures. The premium remains on the customer's bill for 20 years, while other components of the LS-1 tariff that are applicable to LED fixtures fluctuate in accordance with CPUC rate increases or decreases. Current capital constraints will limit the number of LS-1 Option E light replacement projects SCE undertakes during the 2016-2017 time frame. SCE is including a capital funding request to perform LS-1 Option E replacements in the company's 2018 General Rate Case for the period of 2018 -2020. Customers interested in participating in LS-1 Option E will be placed into a queue after signing the LS-1 Option E agreement for service, and will enter the queue as agreements are finalized and received by SCE on a first come-first served basis (John King will receive agreements and manage the queue).

❖ HPSV 50 watt (converts to 29 watt LED)	(0.50) (50 watt HPSV conversions do not yield a net cost savings)
❖ HPSV 70 watt (converts to 29 watt LED)	0.13 savings/lamp/month
❖ HPSV 100 watt (converts to 39 watt LED)	0.65 savings/lamp/month
❖ HPSV 150 watt (converts to 70 watt LED)	1.56 savings/lamp/month
❖ HPSV 200 watt (converts to 130 watt LED)	1.10 savings/lamp/month
❖ HPSV 250 watt (converts to 185 watt LED)	0.99 savings/lamp/month
❖ HPSV 400 watt (converts to 275 watt LED)	1.22 savings/lamp/month

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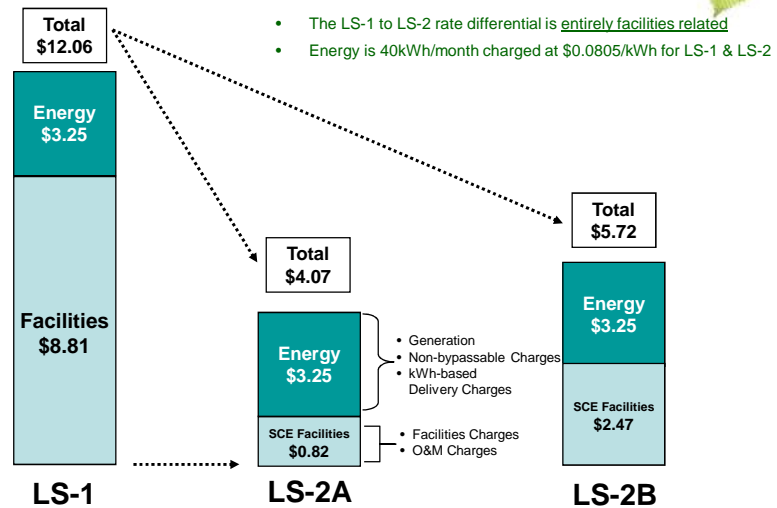
6 key stages of the Acquisition Process

Process stage	Description
Stage 1 Initial Engagement and Education	<ul style="list-style-type: none"> Local Government (LG) reaches out to SCE Account Manager, Region Manager or BCD Street Light Team for acquisition process information SCE provides valuation process overview and reviews current inventory
Stage 2 Invoicing and Payment	<ul style="list-style-type: none"> LG reviews Inventory and determines feasibility to pay for valuation services SCE invoices LG \$10,000 for valuation work and places LG into valuation queue upon receiving payment
Stage 3 Valuation Coordination and Kickoff	<ul style="list-style-type: none"> Kick-off meeting held with LG to review field inventory process LG participates in ride along with SCE to understand field work and valuation methodology
Stage 4 Evaluation Field Inventory	<ul style="list-style-type: none"> SCE performs valuation inventory of street lights, over head conductor, wood pole counts, etc... SCE compiles results and presents LG with an estimated sales price
Stage 5 Sales Terms Development and CPUC Filing	<ul style="list-style-type: none"> LG confirms desire to move forward with purchase and enters into Sales Terms development with SCE SCE and LG submit 851 Application or Advice Letter to CPUC for review and approval of sale
Stage 6 Asset Transfer	<ul style="list-style-type: none"> Following CPUC approval of sale, SCE and LG enter into transition phase of assets Broken out by phases agreed upon by SCE and the LG, the street light system is systematically physically transferred over to LG and rate changed from LS-1 to LS-2

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Differences in Tariffs

LS-1 vs. LS-2 Monthly Cost Comparison- 100W HPSV lamp



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Who to Contact

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The City of Manhattan Beach

LS-1 Streetlight System Valuation

June 7, 2016

Overview of the Total LS-1 Streetlight System

Type	Qty	Type	Overhead	Underground
Non-Wood	841	44%	287	554
Wood	1,057	56%	1,056	1
	1,898	100%	1,343	555
			71%	29%
1950-1959	593	31%		
1960-1969	272	14%		
1970-1979	227	12%		
1980-1989	182	10%		
1990-1999	122	6%		
2000-2009	479	25%		
2010-present	23	1%		

Valuation of the Sellable LS-1 Streetlight System

	Qty	RCNLD
Marbelite (Concrete)	725	\$508,063
Steel	0	\$0
* Wood	86	\$75,671
Total:	811	\$583,734
Ad Hoc Replacements		\$45,951
Additional Asset Components		\$57,896
Subtotal		\$687,581
Severance Cost		\$24,330
Valuation Price		\$711,911

*Note: 8% of Wood Poles are sellable (streetlights attached to distribution poles are excluded)

Ad Hoc Replacements represent poles replaced without developer's contribution

Additional asset components relevant to the sale (i.e. additional fixtures, insulators, down guys, etc.)

Severance Cost is the cost to transfer ownership of the asset

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