

Energy Conservation Rates

Fact Sheet: New Conservation Rates Encourage Customers to Save Energy

OVERVIEW

With electricity demand growing in Los Angeles, and mandates to reduce greenhouse gas emissions and increase renewable energy in our power mix, LADWP has changed its electric pricing structure to promote energy conservation and efficiency during the high-demand months of summer. For the year 2009, energy conservation rates begin July 1 and will be in effect through the end of September. In 2010, and each year thereafter, the rates will be in effect for the entire summer billing season, defined as June 1 through September 30.

The energy conservation rates are a price signal for LADWP customers to reduce their energy use through conservation and energy efficient appliances. With wise conservation practices, particularly during the peak hours of the day, 1 p.m. to 5 p.m., customers can successfully reduce their use and potentially lower their bills. Reduced consumption of energy equates to less strain on electrical infrastructure, will help minimize power outages and will curtail harmful CO₂ emissions. Saving energy is also good for the environment, because the cleanest kilowatt is the kilowatt that has never been produced.

COMMERCIAL AND INDUSTRIAL RATES

Under the conservation rate structure, commercial and industrial customers will pay more for energy during the summer season and less during winter season. Commercial and industrial customers also continue to pay more during peak hours from 1 p.m. to 5 p.m. The low-season months have been expanded to run from October through May.

NET METERING RATE CHANGES

To enhance the use of renewable energy, particularly solar photovoltaic power, the conservation rate structure offers new provisions for customers who use "net metering." Designed for customers who use solar power or have a wind turbine, net metering uses a special meter that actually runs backward when the customer's system is sending excess energy into the grid. Under the new provisions, customers receive financial credit for their peak hour generation and this will offset non-peak energy consumption. These credits can be applied to future bills.

MORE INFORMATION

View our [electric rate calculator](#) and [temperature map](#). Additional relevant information can be viewed on the [electric rates page](#). We encourage customers to become registered website users: sign-up is easy and is only necessary once. You may also contact LADWP at 1-800-DIAL DWP (1-800-342-5397).

RESIDENTIAL CONSERVATION RATES

For residential customers, the energy conservation rates are based on a customer's energy consumption. Every customer is allotted a set amount of energy at the lowest rate. This allotment, called Tier 1, is the amount of power needed for services such as basic lighting, heating, and refrigeration. Beyond Tier 1 are two more tiers, each with a slightly higher rate. So the more energy you use, the more you will pay.

Since hotter temperatures cause refrigerators and other electrical appliances to run hotter, work harder, and use more energy, LADWP has divided the city into two temperature zones to ensure equity among our customers. With the new temperature zones, people who live in the hotter parts of the city, Zone 2, will be able to use a little more energy for the same price as people who live in Zone 1, the cooler areas.

The following chart shows the energy allocations for each of the three tiers for customers living in Zone 1 and Zone 2 and the accompanying rates for each temperature zone for the summer and winter seasons.

SUMMER Jun - Sept	Zone 1	Zone 2	Cents per kWh
Tier 1	First 350 kWh	First 500 kWh	12.36
Tier 2	Next 700 kWh	Next 1,000 kWh	13.86
Tier 3	Above 1,050 kWh	Above 1,500 kWh	17.34

WINTER Oct - May	Zone 1	Zone 2	Cents per kWh
Tier 1	First 350 kWh	First 500 kWh	12.36
Tier 2	Next 700 kWh	Next 1,000 kWh	12.36
Tier 3	Above 1,050 kWh	Above 1,500 kWh	12.36

TIME-OF-USE (TOU) PRICING

Time-of-use (TOU) pricing is a separate rate schedule that enables customers to shift their energy use to off-peak period and be charged a corresponding lower rate. All residential customers have the option to switch to TOU pricing, which requires a special meter that tracks the time of day energy is used. The TOU meter helps you gauge how much energy you are using and adjust accordingly. To encourage more energy conservation, residential customers whose monthly energy use exceeds 3,000 kWh are now required to use TOU pricing. In addition, LADWP is requiring more commercial and industrial customers to switch to TOU pricing. By Jan. 1, 2011, the threshold of energy demand for TOU pricing will be reduced from 100 kW to 30 kW for commercial and industrial customers.