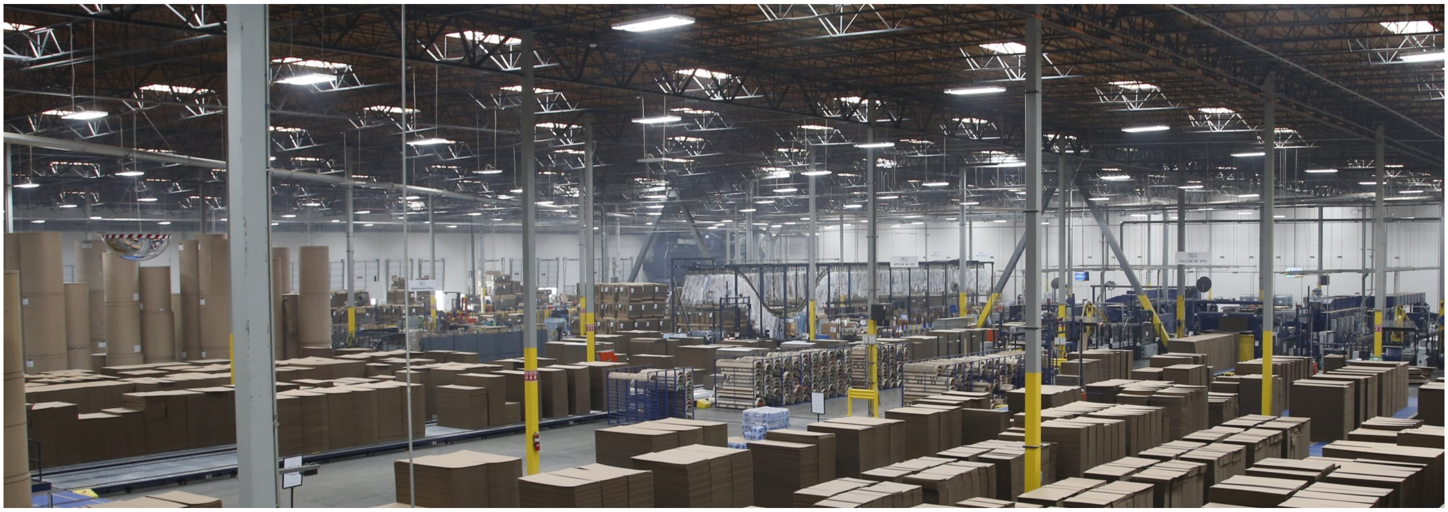
Economic Development Rate Program

Helping to Bring Down Your Cost of Doing Business



The Economic Development Services (EDS) team at Southern California Edison is available to assist your business and help you grow in Southern California. We offer an energy discount through our Economic Development Rate (EDR) program to attract, retain, or expand your business operations in our service territory versus out of state. Specifically, the program offers a 12% discount on your energy bill over a 5-year period.

The EDR program discount is available to SCE Bundled Service, Direct Access**, and Community Choice Aggregation** business customers. As an eligible business customer, you may benefit from one of the following five-year discount options that are applied to your electric bill:

How to Qualify for the EDR

Your business must meet the following criteria to be eligible for the EDR Retention (EDR-R), Expansion (EDR-E), or Attraction (EDR-A) rate schedules:

- Minimum load requirement must be 150 kilowatts (kW) or more (either individually or in the aggregate across accounts at the same physical facility).
- Options are also available for small businesses using less than 150 kW combined load.
- Your business is not identified as a residential, state, or local government customer.
- You must provide a business case demonstrating your critical need for the EDR program and present a viable out-of-state option or facility closure.
- The California Office of Economic Development must perform an independent review that is separate from SCE.
- You must sign an affidavit attesting that "But-For" this rate, your business would not retain or add its energy load within California.

The EDR program is available until the 200 MW program cap is met.

Becoming an EDR Candidate

In order to be an EDR program candidate, you'll need to:

⇒ Have a business where electricity costs are a primary cause for seeking alternatives (including closure), that is sensitive to electricity rates, and insensitive to production location.

⇒ Have real and viable out-of-state location alternatives with excess capacity or similar alternatives that would be the preferred choice "But-For" the incentives afforded under SCE's EDR program.

Four Key EDR Questions and Answers to Help You Proceed with Confidence

1. What do you mean by the requirement to demonstrate "critical need"?

Critical need means that "But-For" the EDR discount itself, or in combination with other incentives, your company cannot continue to operate within or locate to California. Documentation that supports the "But-For" scenario is required for service under the EDR.

2. Can my business have multiple qualified Service Accounts?

Yes. If your business has multiple Service Accounts located at the same physical facility, you may apply for the EDR program as a combined energy load.

3. Does my demand increase have to be maintained at or above 150 kW?

Yes. However, for the EDR-R rate schedule, you must maintain a monthly demand that is the greater of 75% of your historic peak demand usage or at least 150 kW***. For EDR-E and EDR-A rate schedules, your maximum demand must be at least 150 kW of expanded load or new load on a monthly basis, whichever applies***. Program discounts are suspended if minimum load requirements are not met in any three months within a contract year. Discounts are suspended for the balance of that contract year, and such suspension starts in the month of the third occurrence.

4. What is the difference between the retention, expansion, and attraction EDRs?

<u>EDR-Retention</u>: Minimum load demand of 150 kW***. Applicable to existing customers who show that relocation of their entire operations—or a qualified portion of their operations, which consists of load of at least 150 kW (either individually or in the aggregate across accounts at the same physical facility)—to a site outside of California is a viable alternative or that closure of the customer's existing facilities is otherwise imminent.

<u>EDR-Expansion</u>: Minimum load demand of 150 kW***. Applicable to existing customers who increase load by at least 150 kW over their current Maximum Demand (either individually or in the aggregate across accounts at the same physical facility), as established in their Base Period Usage. Such increase must represent load that is new to California and is intended to expand load in California relative to out-of-state options.

<u>EDR-Attraction</u>: Minimum load demand of 150 kW***. Applicable to new customers who locate their facilities within SCE's service territory. Such load (either individually or in the aggregate across accounts at the same physical facility) must be new load to California and is intended to attract load to California relative to out-of-state options.

All three EDR options must also attest that, "But-For" this discount, either on its own or in combination with a package of incentives made available to the customer from other sources, they would not have retained or added their load within California.

Call us for Economic Development Assistance Today

For more information regarding our EDR program, contact a Southern California Edison Economic Development Consultant:

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This Q&A is meant to be an aid to understanding SCE's rate schedule tariffs. It does not replace the Commission-approved rate schedule tariffs. Please refer to the individual rate schedule tariffs of interest for a complete listing of terms and conditions of service, which can be viewed online at sce.com.

** For Direct Access and Community Choice Aggregation customers, EDR discount is limited to the "Distribution" portion of the energy bill. No discount will be applied to the "Generation" portion of the energy bill.

*** With the exception of small business customer accounts as defined with energy loads below 150 kW.