Edison SmartConnect — Building a Smarter, Cleaner Energy Future with Our Customers

In 2004, the California Public Utilities Commission directed the state's regulated utilities to explore the feasibility of upgrading electric meters in homes and small businesses to the type used to measure energy usage by larger business customers. Currently, home meters record only the total electricity used during a billing period. The next generation of meters will record not only how much power is used, but when, making possible a wide range of new energy saving service options.

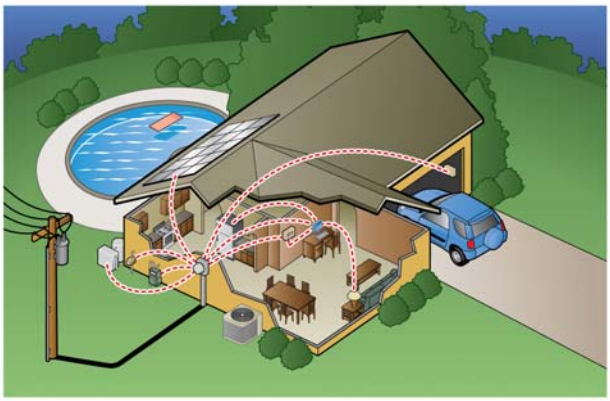
Southern California Edison (SCE) worked with meter manufacturers to develop an enhanced, solid-state electric meter promising a lower overall cost, greater customer benefits and improved grid operations. The outcome is Edison SmartConnect, the industry's leading advanced metering system currently in field testing by SCE. Between 2009 and 2012, SCE plans to replace 5 million electric meters for residential and commercial customers below 200 kilowatts in demand with "next generation" smart meters.

The system will empower customers to proactively manage their energy use and save money by participating in new programs with time-differentiated rates and demand response options. SCE's smart meters will enable all residential and small business customers below 200 kilowatts in demand to achieve a "connected home of the future."

Why Smart Metering?

Californians lead the nation in energy efficiency. Nevertheless, the state's population and per-person energy use continue to grow. As a result, state officials and utilities are exploring ways to provide customers with incentives to conserve and shift usage away from periods of peak demand. Edison SmartConnect is key to accomplishing this goal.

Utilities pay much more for the power their customers use during a weekday afternoon than in the middle of the night. But residential and small business rates do not reflect this, and these customers have little incentive to use electricity in ways that reduce utility and customer costs and slow the need for new power plants and transmission lines. If electric rates were higher during peak periods and lower during off-peak times, customers likely would find ways to save by moving discretionary consumption to off-peak periods.



Potential Customer & Environmental Benefits

The Edison SmartConnect system will allow customers with communicating, energy-smart thermostats and appliances to automatically respond during critical peak pricing and grid reliability events. This will reduce the overall peak power consumption by an estimated 1,000 megawatts – the entire output of a major power plant.

SCE's new meters will also be able to "talk" to home area networks, providing customers with real-time energy use and cost information to enable energy conservation. The Edison SmartConnect system has the ability to provide information from the meter into the home through a two-way wireless interface allowing customers to immediately see how their actions affect usage. The result is expected to increase sustained energy conservation that will reduce emissions of greenhouse gases and smog-forming pollutants by a minimum of 365,000 metric tons per year – the equivalent of removing 79,000 cars from the road.

In addition, the new technology will make remote service activations possible, enabling the 1 million customers who relocate each year to activate service on demand.

Edison SmartConnect is just one aspect of SCE's national leadership in smart grid technology, bringing customers more reliable, cost-effective, environmentally responsible power.

To learn more about Edison SmartConnect, please visit www.sce.com/smartconnect.

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