

2008
GREEN POWER
Annual Report

CELEBRATING 10 YEARS OF CLEAN, SUSTAINABLE ENERGY



2008 Green Power wind energy supplier.

From the General Manager

"Your participation is a remarkable example of what we are capable of accomplishing together."



2008 marked the ten-year anniversary of the Green Power for a Green L.A. (Green Power) program, so on the behalf of the Los Angeles Department of Water and Power (LADWP) I wish you a sincere "Happy Anniversary" and congratulate you for taking an active role in protecting our environment and promoting energy sustainability. Your voluntary support of the Green Power program over the last ten years is a remarkable example of what we are capable of accomplishing together—and, there is much to celebrate.

In the decade since the launch of the LADWP's Green Power, the number of U.S. utilities offering optional green energy has increased from eight in 1999, to over 800 at year-end 2007. Through your support, the Green Power program has consistently ranked among the Top 10 largest green pricing programs in the U.S.¹ In addition, the Green Power program has been recognized by such prominent governmental agencies as the U.S. Department of Energy, the U.S. Environmental Protection Agency, and the California Energy Commission. And, through its partnerships with the local entertainment industry, Green Power has repeatedly supplied renewable energy for such well-known "green events" as the Academy Awards, the Emmy Awards, and the Grammy Awards, as well as for the American Idol, Season 7 Finale broadcast live from the Nokia Theatre in Los Angeles in May 2008.

From a broader perspective, it is important to note that our knowledge of climate change issues has advanced dramatically since 1999. The ongoing debate over the link between human activities, greenhouse gas emissions and the increase in global surface temperatures was essentially settled by the world's scientists early last year. The facts are no longer disputable and the risks are greater now than they were ten years ago.

At the same time, an exciting and remarkable trend has emerged in our own community this year. For the first time in the program's 10-year history, nearly half of all new residential and business subscribers elected to have 100% of their power come only from clean, sustainable energy sources. This is indeed a noteworthy development, but not altogether a surprising one. For the past ten years Green Power customers, like you, have led the local charge against global climate change and for a cleaner, greener Los Angeles. I have no doubt that you will continue to do so in the future.

Again, I congratulate you on this tenth anniversary of the LADWP Green Power program and thank you for your ongoing partnership and support.

H. David Nahai
CEO and General Manager

The Green Power program, which began in 1999, marked its ten year anniversary in 2008. To date, the program has displaced more than 635,000 megawatt hours (mWh)* of fossil fuel-generated electricity with clean, sustainable energy.

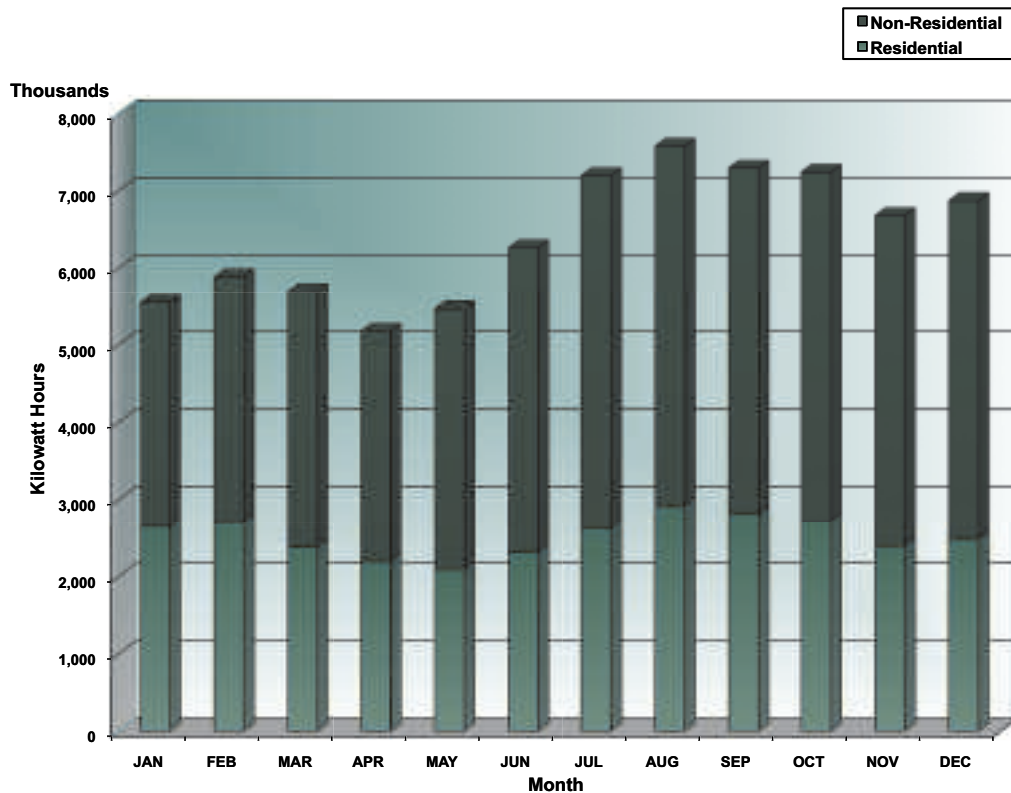
*Energy delivered by electric utilities is usually expressed and charged for in kilowatt-hours or kWh. A megawatt-hour (mWh) is the equivalent of 1,000 kilowatt-hours (kWh).



How did you hear about the LADWP Green Power program?

LADWP Bill Stub	39.2%
LADWP Website	13.5%
Friend/Neighbor/Relative	12.8%
Advertisement	6.8%
Green Convention/Seminar	4.0%
LADWP Mailer	3.4%
Print Media	3.4%
Eco/Trade Association	3.4%
Non-LADWP Website	2.7%
LADWP Call Center	2.7%
An Inconvenient Truth/Al Gore	2.7%
Other	5.4%

2008 Green Power Consumption (kWh)



Statement of Revenue, Other Credits & Expenses

For the Twelve Months Ending December 31, 2008

Participants

Residential consumption (kWh)	30,252,799
Non residential consumption (kWh)	48,353,239
Residential customers	20,405
Non residential customers	728

Revenue

Renewable energy adjustment factor revenue	\$2,358,181.14
--	----------------

Total revenue	\$2,358,181.14
----------------------	-----------------------

Expenses

Purchased green power	\$ 9,044,221.00
less: Energy Services avoided cost credit	\$ (5,685,263.66)
Administrative expenses	\$ 172,166.88
Marketing expenses	\$ 99,646.65
Total expenses	\$ 3,630,770.87

Program operating income	\$ (1,272,589.73)
--------------------------	-------------------

Additional charge per ordinance	\$181,538.54
---------------------------------	--------------

Over/(Under) Recovery of Program Expenses	\$ (1,454,128.27)
--	--------------------------

Cumulative over-recovery from December 2007	\$ 3,021,154.65
--	------------------------

Cumulative over-recovery through December 2008	\$ 1,567,026.38
---	------------------------

100% of the green power needed to meet customer demand was obtained through renewable energy purchases.



Snow in the Tehachapi Mountains creates a picturesque setting along the Pine Tree Canyon Ridge, December 2008.

The Decade in Review – Further Along on the Path to a Greener L.A.–

The Green Power program marked its ten-year anniversary in 2008. Since its inception in 1999, the program has displaced over 635,000 megawatt hours of fossil fuel-generated electricity with clean, sustainable energy. This was the equivalent amount of energy needed to power more than 105,000 homes in the Los Angeles area for one year.²

The fuel sources and renewable technologies used during the program's first decade include wind, landfill gas/biomass, small hydroelectric, and geothermal. All contracted renewable energy facilities were operational as of January, 1997 or later.

Over the past ten years, our Green Power subscribers were personally responsible for offsetting the generation of more than 786 million pounds of harmful CO₂ emissions in the Los Angeles area³, an amount comparable to removing 68,685 automobiles from Southern California streets and freeways for one year.⁴



2008 Power Source Disclosure

The Los Angeles Department of Water and Power (LADWP) is providing the following information as required by the California Energy Commission so that consumers can see at a glance the fuel sources and technologies used to generate the energy that the LADWP provides to its customers. The Power Content Label assists consumers in making informed decisions by providing a uniform way for all electric service providers to deliver clear and accessible information on their existing and new electricity products.

POWER CONTENT LABEL

Annual Report of Actual Electricity Purchases for LADWP
Calendar Year 2008

ENERGY RESOURCES	LADWP Power*	LADWP Power	LADWP Green Power**	LADWP Green Power	2007 CA POWER MIX***
	Actual Mix	Projected Mix	Actual Mix	Projected Mix	For Comparison
Eligible Renewable****	8%	8%	100%	100%	10%
– Biomass & waste	1%	1%	<1	<1	<1%
– Geothermal	<1%	<1%	<1	<1	2%
– Small hydroelectric	5%	5%	25%	25%	6%
– Solar	<1%	<1%	<1	<1	<1%
– Wind	2%	2%	75%	75%	2%
Coal	42%	44%	-	-	32%
Large Hydroelectric	6%	7%	-	-	24%
Natural Gas	34%	32%	-	-	31%
Nuclear	10%	9%	-	-	3%
Other	0%	0%	-	-	0%
TOTAL	100%	100%	100%	100%	100%

* 100% of LADWP Power is specifically purchased from individual suppliers.

** 100% of LADWP Green Power is specifically purchased from individual suppliers.

*** Percentages are estimated annually by the California Energy Commission based on electricity sold to California consumers during the previous year.

**** In accordance with Los Angeles City Council's action on 10-5-04 for File No. 03-2688 (RPS).

For specific information about this electricity product, contact LADWP at 1-800-DIAL-DWP. For general information about the Power Content Label, contact the California Energy Commission at 1-800-555-7794 or www.energy.ca.gov/consumer.

Endnotes

1 U.S. Department of Energy, National Renewable Energy Laboratory, annual ranking of leading utility green power programs, December 2007.

2 Based on average annual consumption for LADWP residential customers of 6,172 kilowatt-hours (kWh) of electricity. (2008)

3 CO₂ emission reductions attributed to the Green Power program are based on the LADWP 2007 California Climate Action Registry report estimate of 1,536.11 pounds of CO₂ emitted per MWh of electricity generated. (Annual Emissions Report, California Climate Action Registry, October 2008).

4 Based on the greenhouse gas emissions from a typical passenger vehicle of 12,125 pounds of CO₂ per year. (Source: U.S. EPA Fact Sheet EPA420-F-05-004, February 2005).

