

## Anaheim Public Utilities

### Estimated Cost Impacts of Recent and Pending Legislation/Regulations Impacting Electric Operations

		Estimated Cost of Implementation	Estimated Rate Impact	Penalties / Other Potential Cost Impacts	APU Legislative Representative Vote
<b>Climate Change / Greenhouse Gas (GHG) Emissions Reduction</b>	<p><b>California Global Warming Solutions Act of 2006 / AB 32:</b> Establishes a statewide goal of reducing greenhouse gas emissions to 1990 levels by 2020 through various measures.</p>	<p>Annual cost of implementation for annual reporting and annual administrative fee to California Air Resources Board: \$500,000. Annual cost for cap and trade program: \$3 million to \$5 million. Apx. 2 % rate increase.</p> <p>-</p> <p>See "Renewable Portfolio Standards", "Energy Efficiency", "Sulfer Hexafluoride" for additional actions required under AB 32.</p> <p>-</p> <p>There may potentially be a need to divest from coal generation: *One time cost: \$30 million. Apx. 9.2% rate increase.</p>	<p>*11.2% increase</p> <p>-</p> <p>(See "Renewable Portfolio Standards", "Energy Efficiency", and "Sulfer Hexafluoride" for specific rate impacts of additional requirements)</p>	<p>Penalties of up to \$250,000/day of violation and/or imprisonment. Potential additional financial penalty equivalent to the amount of any economic gain.</p>	<p><b>Assembly</b>  <b>Yes:</b> Umberg  <b>No:</b> Daucher, Huff, Spitzer, Tran  <b>Senate</b>  <b>Yes:</b> Dunn  <b>No:</b> Ackermann, Margett</p>
	<p><b>Sulfur Hexafluoride (SF6) / AB 32 :</b> Requires reductions of emissions of a gas used in electric system equipment.</p>	<p>Monitoring and documentation of SF6 usage and annual reporting to California Air Resources Board beginning in 2012: \$100,000.</p>	<p>0.03% increase</p>	<p>Penalties of up to \$250,000/day of violation and/or imprisonment. Potential additional financial penalty equivalent to the amount of any economic gain.</p>	<p><b>Assembly</b>  <b>Yes:</b> Umberg  <b>No:</b> Daucher, Huff, Spitzer, Tran  <b>Senate</b>  <b>Yes:</b> Ackermann, Correa, Margett</p>
	<p><b>GHG Reductions - Waste Heat / AB 1613 :</b> Requires development of a program to allow any customer to utilize combined heat and power systems, and provides for the purchase of excess electricity that they may generate.</p>	<p>Annual costs for tracking and administration, may have additional financial implications depending upon program development and participation levels: \$100,000 .</p>	<p>0.03% increase</p>	<p>Financial penalties not specified. Potential for civil suit for non-compliance. (Potentially could result in cost to implement and any damages attributed to non-compliance.)</p>	<p><b>Assembly</b>  <b>Yes:</b> Huff, Silva, Solorio, Spitzer, Tran  <b>No vote:</b> Duvall  <b>Senate</b>  <b>Yes:</b> Ackermann, Correa, Margett</p>
	<p><b>Long-Term Contract Restrictions for Generation/ SB 1368 :</b> Prohibits utilities from entering into contracts for longer than 5 years for generation unless emissions levels are substantially reduced.</p>	<p>Annual costs to monitor, verify compliance, and meet reporting requirements, as necessary: \$100,000. Costs do not include those related to the inability to extend participation in coal based generating resources.</p>	<p>0.03% increase</p>	<p>Financial penalties not specified. Energy Commission may investigate and enforce provisions for failure to meet target.</p>	<p><b>Assembly</b>  <b>Yes:</b> Umberg  <b>No:</b> Daucher, Huff, Spitzer, Tran  <b>Senate</b>  <b>Yes:</b> Dunn  <b>No:</b> Ackermann, Margett</p>

Estimates are not audited, nor exact, but provide an overall context of the aggregate potential economic impact of recently passed legislation.

## Anaheim Public Utilities

### Estimated Cost Impacts of Recent and Pending Legislation/Regulations Impacting Electric Operations

		Estimated Cost of Implementation	Estimated Rate Impact	Penalties / Other Potential Cost Impacts	APU Legislative Representative Vote
<b>Renewable Portfolio Standard (RPS)</b>	<p><b>Renewable Portfolio Standard (RPS)/SB1X 2:</b> This law passed in special session in 2011 requires that California utilities meet 33% of their customer's energy needs with renewable energy by the year 2020. The renewable energy requirements begin in 2011 and require that specific increasing targets for the purchase of renewable energy be met in the years leading up to 2020. Currently, the costs for renewable energy are more expensive than the costs for fossil fuel based energy. <b>SB 107:</b> Established California's previous RPS target of 20% by 2010. Requires annual reporting to the California Energy Commission. <b>SB 1078:</b> Required establishment of RPS targets, as well as an annual report to customers on public benefits fund expenditures. (AB 1890 enacted prior to this required that utilities spend 2.85% of their income public benefit programs - see AB 1890 listing below for program details)</p>	<p><i>Estimated total cost to add renewable generation resources to meet a target of 33% RPS by 2020: \$80 million.</i></p>	12% to 17% increase	<p>Financial penalties not specified yet, to be determined in a regulatory proceeding. Potential for civil suit for non-compliance. (Potentially could result in cost to implement and any damages attributed to non-compliance.)</p>	<p><b>SB1X 2</b> <b>Assembly</b> <b>Yes:</b> Solorio, Miller <b>No:</b> Hagman, Norby, Silva, Mansoor <b>Senate</b> <b>No:</b> Correa, Walters, Huff</p> <p><b>SB 1078</b> <b>Assembly</b> <b>Yes:</b> Campbell, Correa, Maddox <b>No:</b> Daucher, Harman, Pacheco <b>Senate</b> <b>Yes:</b> Dunn <b>No:</b> Ackermann, Margett</p> <p><b>SB 107</b> <b>Assembly</b> <b>Yes:</b> Umberg <b>No:</b> Daucher, Huff, Spitzer, Tran <b>Senate</b> <b>Yes:</b> Dunn <b>No:</b> Ackermann, Margett</p>
	<p><b>Power Content Label / SB 1305:</b> Requires an annual report to customers and the California Energy Commission on the source and percentage of each type of generation resource that a utility uses.</p>	<p><i>Annual costs for the collection of data, development and submittal of an annual report to customers and the California Energy Commission: \$150,000.</i></p>	0.05% increase	<p>Financial penalties not specified. Potential for civil suit for non-compliance. (Potentially could result in cost to implement and any damages attributed to non-compliance.)</p>	<p><b>SB 1305</b> <b>Assembly</b> <b>Yes:</b> Ackerman, Baugh, Campbell, Miller, Morrissey, Pringle <b>Senate</b> <b>Yes:</b> Hurtt, Lewis, Mountjoy</p>

Estimates are not audited, nor exact, but provide an overall context of the aggregate potential economic impact of recently passed legislation.

## Anaheim Public Utilities

### Estimated Cost Impacts of Recent and Pending Legislation/Regulations Impacting Electric Operations

		Estimated Cost of Implementation	Estimated Rate Impact	Penalties / Other Potential Cost Impacts	APU Legislative Representative Vote
<b>Energy Efficiency Programs</b>	<p><b>Generating Resource Loading Order / SB 1037:</b> Requires utilities to utilize cost-effective, feasible and reliable energy efficiency and demand reduction resources <u>before</u> procuring fossil fueled resources.</p> <p><b>Energy Efficiency Programs/AB 2021 :</b> Requires annual targets to be set for energy efficiency saving and demand reductions for the 10-year period between 2007 and 2016. Requires annual reporting to customers and the California Energy Commission.</p> <p><b>Energy Efficiency Programs / AB 758 :</b> Requires development of a comprehensive program to achieve greater energy savings in existing residential and nonresidential building stock.</p>	<p>Cost to accelerate energy efficiency/demand reduction by 1% a year, to reach the 10% goal over required 10 year time horizon: \$60 million (2007-2016) or approximately \$5.2 million annually.</p>	1.6% increase	<p>Financial penalties not specified. California Energy Commission is authorized to review program and targets, and provide recommendations for possible improvements.</p>	<p><b>Assembly</b>  <b>Yes:</b> Umberg  <b>No:</b> Daucher, Harman, Huff, Spitzer, Tran  <b>Senate</b>  <b>Yes:</b> Dunn  <b>No:</b> Ackermann, Margett</p> <p><b>AB 2021</b>  <b>Assembly</b>  <b>Yes:</b> Daucher, Tran, Umberg  <b>No:</b> Huff, Spitzer  <b>Senate</b>  <b>Yes:</b> Ackermann, Margett  <b>No vote:</b> Dunn</p> <p><b>AB 758</b>  <b>Assembly</b>  <b>Yes:</b> Solorio  <b>No:</b> Hagman, Miller, Silva, Tran  <b>Senate</b>  <b>No:</b> Huff, Walters</p>
	<p><b>Energy Consumption Records / AB 1103 :</b> Requires utilities to maintain records of non-residential energy consumption data and to provide 12 months of usage data to the U.S. Environmental Protection Agency when requested by customer.</p>	<p>Annual cost to maintain and provide twelve months of consumption data upon request of required customers : \$100,000.</p>	0.03% increase	<p>Financial penalties not specified. Potential for civil suit for non-compliance. (Potentially could result in cost to implement and any damages attributed to non-compliance.)</p>	<p><b>Assembly</b>  <b>Yes:</b> Solorio, Spitzer, Tran  <b>No:</b> Huff, Silva  <b>No vote:</b> Duvall  <b>Senate</b>  <b>Yes:</b> Ackerman, Correa  <b>No vote:</b> Margett</p>

Estimates are not audited, nor exact, but provide an overall context of the aggregate potential economic impact of recently passed legislation.

## Anaheim Public Utilities

### Estimated Cost Impacts of Recent and Pending Legislation/Regulations Impacting Electric Operations

		Estimated Cost of Implementation	Estimated Rate Impact	Penalties / Other Potential Cost Impacts	APU Legislative Representative Vote
<b>Solar Energy &amp; Net Metering</b>	<b>Solar Incentives &amp; Net Metering / SB 1</b> : Adoption of a Solar Incentive Program offering a minimum incentive of \$2.80 watt beginning in 01/01/08 and declining by 7% each year thereafter to offset the cost of solar generation projects.	Required to spend \$35 million in total through the year 2016. Annual cost of incentives: approximately \$3.8 million.	1% to 1.5% increase	Financial penalties not specified. Potential for civil suit for non-compliance. (Potentially could result in cost to implement and any damages attributed to non-compliance.)	<b>Assembly</b> Yes: Daucher, Tran, Umberg No: Huff, Spitzer <b>Senate</b> Yes: Dunn, Margett No: Ackerman
	<b>Increased Net Metering / AB 510</b> : Requires utilities to increase amount of allowable net metering from solar and wind projects from 2.5% to 5% of a utility's aggregate peak demand. Net metering projects reduce utility sales to customers.	Annual cost associated with potential loss of sales revenue: \$2.5 million.	~1% increase	Financial penalties not specified. Potential for civil suit for non-compliance. (Potentially could result in cost to implement and any damages attributed to non-compliance.)	<b>Assembly</b> Yes: Silva, Solorio, Tran No: Hagman, Miller, Norby <b>Senate</b> Yes: Correa No: Walters No vote: Huff
	<b>Distributed Renewable Generation / SB 32</b> : Requires utilities to purchase electricity from a retail customer's renewable facility up to 3 megawatts in capacity.	Annual costs for monitoring and administration: \$100,000. Additional costs related to the purchase of renewable energy included in SB 1078 cost estimates above.	0.03% increase	Financial penalties not specified. Potential for civil suit for non-compliance. (Potentially could result in cost to implement and any damages attributed to non-compliance.)	<b>Assembly</b> Yes: Solorio No: Hagman, Miller, Silva, Tran <b>Senate</b> Yes: Correa, Huff, Walters
	<b>Net Metering Compensation / AB 920</b> : Adoption of a standard contract that allows customer generators of renewable energy (wind or solar only) to select either a credit or monetary compensation for surplus generation.	Annual cost to tracking and pay customers for surplus energy: \$100,000. Additional costs related to the purchase of renewable energy included in SB 1078 cost estimates above.	0.03% increase	Financial penalties not specified. Potential for civil suit for non-compliance. (Potentially could result in cost to implement and any damages attributed to non-compliance.)	<b>Assembly</b> Yes: Solorio No: Hagman, Miller, Silva, Tran <b>Senate</b> No: Correa, Huff, Walters

Estimates are not audited, nor exact, but provide an overall context of the aggregate potential economic impact of recently passed legislation.

## Anaheim Public Utilities

### Estimated Cost Impacts of Recent and Pending Legislation/Regulations Impacting Electric Operations

		Estimated Cost of Implementation	Estimated Rate Impact	Penalties / Other Potential Cost Impacts	APU Legislative Representative Vote
<b>Reliability</b>	<b>Resource Adequacy / AB 380</b> : Requires utilities to meet minimum regional electricity planning reserve and reliability requirements by procuring a specified amount of generating capacity within the local area.	Annual costs for purchase of local generating capacity to meet requirements is \$11 million, decreasing to \$3 million when the Canyon Power Plant project is completed. This amount will further decrease to \$1.5 million annually when the Brea Landfill project is completed.	3% increase	Financial penalties not specified. Potential for civil suit for non-compliance. (Potentially could result in cost to implement and any damages attributed to non-compliance.)	<b>Assembly</b> <b>Yes:</b> Daucher, Harman, Huff, Spitzer, Tran, Umberg <b>Senate</b> <b>Yes:</b> Dunn, Ackermann, Margett
	<b>Smart Grid Deployment/ SB 17</b> : Requires utilities to develop Smart Grid Deployment plans.	Development and maintenance of Smart Grid 5-year plan. Estimated costs are \$5.9 million over a three year period.	~1% increase	Financial penalties not specified. Potential for civil suit for non-compliance. (Potentially could result in cost to implement and any damages attributed to non-compliance.)	<b>Assembly</b> <b>Yes:</b> Hagman, Miller, Solorio, Silva, Tran <b>Senate</b> <b>Yes:</b> Correa, Huff, Walters
	<b>Energy Storage Targets/AB 2514</b> : Requires publicly owned utilities to determine if energy storage resources are appropriate. Energy storage resources include "pumped storage hydroelectricity" resources. If these resources are determined to be appropriate, specific targets for their implementation must be set by 10/1/14 and achieved by 12/1/16.	Evaluate implementation of energy storage technology: \$100,00; Hearing on energy storage technology/targets \$75,000; Report to Energy Commission: \$50,000.	0.07% increase	Financial penalties not specified. Potential for civil suit for non-compliance. (Potentially could result in cost to implement and any damages attributed to non-compliance.)	<b>Assembly</b> <b>No:</b> Hagman, Miller, Norby, Silva, Tran <b>No vote:</b> Solorio <b>Senate</b> <b>No:</b> Correa, Huff, Walters
	<b>Reliability Requirements / Energy Policy Act of 2005</b> : Establishes federal mandatory electric reliability standards.	Development of the Department's Internal Compliance Program: \$350,000. Annual costs for implementation and bi-annual filings (January and July): \$150,000.	0.05% increase	Civil penalties under the Energy Policy Act of 2005 of up to \$1 million per day per requirement.	<b>House</b> <b>No:</b> Sanchez, Royce, Miller <b>Senate</b> <b>Yes:</b> Boxer, Feinstein

Estimates are not audited, nor exact, but provide an overall context of the aggregate potential economic impact of recently passed legislation.

## Anaheim Public Utilities

### Estimated Cost Impacts of Recent and Pending Legislation/Regulations Impacting Electric Operations

		Estimated Cost of Implementation	Estimated Rate Impact	Penalties / Other Potential Cost Impacts	APU Legislative Representative Vote
<b>Electric Industry Restructuring</b>	<b>The Electric Utility Industry Restructuring Act / AB 1890</b> : Establishes Public Benefit Fund (PBF) program for funding of public interest programs.	<i>Public Benefits Funds (PBF) include funds for renewable resources, low income assistance, research and development and energy efficiency. Public Benefits Fund are equal to 2.85% of net operating revenue or approximately \$7.5 million annually. No PBF is allowed to support Renewable Portfolio Standard Activities (SB 1078 and SB 107) or Solar Incentives (SB1).</i>	2.85% increase	Financial penalties not specified. Potential for civil suit for non-compliance. (Potentially could result in cost to implement and any damages attributed to non-compliance.)	<b>Assembly</b> <b>Yes:</b> Ackerman, Baugh, Conroy, Miller, Morrissey, Pringle <b>Senate</b> <b>Yes:</b> Hurtt, Lewis, Mountjoy
<b>Market Participation</b>	<b>Prohibition of Market Manipulation / Energy Policy Act of 2005</b> : Establishes prohibitions against electric energy market manipulation.	<i>Annual cost for training: \$75,000.</i>	0.02% increase	Civil penalties under the Energy Policy Act of 2005 of up to \$1 million per day per violation.	<b>House</b> <b>No:</b> Sanchez, Royce, Miller <b>Senate</b> <b>Yes:</b> Boxer, Feinstein
			<p><b>Total estimated rate impact over the next 10 years for those programs not already included in the rate base is between a <u>17% to 20% increase</u>, provided that there are no significant changes in the assumptions. Does <u>not</u> include estimates of costs of any pending legislation, or one time cost impacts.</b></p>		

Estimates are not audited, nor exact, but provide an overall context of the aggregate potential economic impact of recently passed legislation.

**Anaheim Public Utilities**  
**Estimated Cost Impacts of Recent and Pending Legislation/Regulations Impacting Electric Operations**

		Estimated Cost of Implementation	Estimated Rate Impact	Penalties / Other Potential Cost Impacts	APU Legislative Representative Vote
Pending Legislation 2012					

Estimates are not audited, nor exact, but provide an overall context of the aggregate potential economic impact of recently passed legislation.