



# Department of Water and Power City of Los Angeles



## Business Promotion Program

# Prior Discounted Utility Rates

- State Enterprise Zone Program
  - Created a set of benefits for businesses that located in designated zones
    - Tax credits
    - Employee trainee benefits
    - Local governments allowed add on
      - Los Angeles added:
        - » Technical assistance
        - » DWP discounted rate program
          - A declining discount over a 5 year period
- Law signed in July 2013 to end program
  - Effective January 1, 2014, DWP no longer able to provide discount to newly eligible customers.

# Continuing Need: Discounted Rates Support the Economy

- An important element in the economic development toolbox.
- Standard industry practice nationwide
- Can be a game-changer for attraction of new businesses
- Supports retention and growth of local jobs

# Business Promotion Program

- Goal:
  - Attract new businesses, especially those with medium or large usage coming to the City of Los Angeles.
- Who benefits:
  - The City – more jobs for residents, business friendly, supports local economy and the local tax base
  - LADWP – opportunities to use underutilized infrastructure and capacity to recover costs
  - Business – can help new businesses successfully enter, grow and stay within the Los Angeles marketplace

# Business Promotion Program

In the new rate case, there is a marginal cost based Business Promotion option:

- Qualifying new commercial businesses under General service Schedule A2, A3, or A4 will be eligible to receive bill discount amounts that will be phased out over three years
- Business Promotion Service Rider is limited to a total of 80MW of customer load and available in October 2016

# Business Promotion Program Bill Discount by Year

Year	Discount Amount
1 <sup>st</sup> Year	7.6%
2 <sup>nd</sup> Year	5.0%
3 <sup>rd</sup> Year	2.5%