

September 26, 2017

The Honorable City Council  
Office of the City Clerk  
Room 395, City Hall  
Mail Stop 160

Dear Honorable Council Members:

Subject: Council File No. 14-1149 – Los Angeles Department of Water and Power  
Update on Paperless Billing and Environmentally Preferable Purchasing  
Tracking

In response to the May 17, 2017 Los Angeles City Council Energy and Environment Committee inquiry regarding paperless billing efforts and tracking Environmentally Preferable Purchasing (EPP) information, the Los Angeles Department of Water and Power (LADWP) provides the following responses:

#### Paperless Billing Adoption

Currently, 14 percent of LADWP customers have gone paperless. Efforts to increase participation continue. In January 2017, LADWP announced the Customer Bill of Rights which includes a \$10 incentive for enrolling in paperless billing. In March and April 2017, LADWP conducted a survey among both paperless adopters and paper bill recipients in order to gain insights into the behavior and key drivers toward paperless adoption. These findings will be incorporated into an outreach campaign aimed at increasing paperless billing subscription. In August 2017, LADWP developed a draft paperless action plan which includes multiple efforts and goals related to improving paperless billing enrollment.

#### Industry Paperless Billing Adoption

According to E-Source, which is a research firm focusing on energy use and utility service metrics, the industry average for paperless billing subscription is approximately 19 percent. The average enrollment rate of other local municipal utilities

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that offer paperless and responded to LADWP's inquiry is approximately 16 percent. We believe with continued marketing, we can reach 30 percent in the next few years.

#### Incentive Programs and Efforts

The Customer Bill of Rights includes a \$10 incentive to drive adoption of paperless billing. A total of \$25 in incentives is available to customers who enroll in both paperless billing and automatic payment. A new outreach campaign is being developed that will focus on the benefits of paperless billing as well as the incentives offered by LADWP. We also gathered information regarding incentive programs other utilities have used to increase their paperless adoption rates. We plan to incorporate applicable actions into future endeavors. The draft paperless action plan includes more details and will be updated as opportunities are identified.

#### EPP Tracking

In June 2017, LADWP's Supply Chain Services Specifications Office updated the Bid Proposal Information Sheet to include an EPP questionnaire. This helps us better track materials bids that are incorporating EPP products into the specification. LADWP is also in the process of adding a feature to its Electronic Request-Solicit-Procure (eRSP) system that will improve EPP reporting capabilities. The addition of EPP features to eRSP and the bidding process will create additional opportunities for end users and vendors to consider environmental products as well as allow LADWP to more easily capture data and track EPP-related information. We anticipate this project will be completed within the next 12 to 18 months.

If you have any questions, please contact me at (213) 367-1320 or Ms. Winifred J. Yancy, Director of Legislative and Intergovernmental Affairs at (213) 367-0025.

Sincerely,



David H. Wright  
General Manager

MY/MSR/DT:dms

c: Ms. Winifred J. Yancy



14-1149  
Refer to CFO9-0729

MOTION

The Department of Water and Power (DWP) is proposing the approval of an amendment to its existing contract with Staples, Inc. for paper that is compatible with its bill printing system. The amendment is for four one-year options and increases the expenditure limit by \$6,995,044 to \$10,451,419.

The DWP has confirmed that the paper it will use for this system is only 1% recycled content; therefore it is 99% virgin forest paper. The DWP states that it needs this type of paper in order for its bill printing system to work properly.

However, the use of virgin forest paper for this agreement is inconsistent with the City's Environmentally Preferable Purchasing Policy (EPPP). The EPP was adopted by the City over 10 years ago and called for City departments to incorporate and prioritize the use of environmentally sustainable products in their day-to-day business activities.

The greater use of environmentally sustainable products by the City encourages other cities and jurisdictions to follow suit, thereby lowering the cost of these products and preserving the environment.

The DWP should convert to paper with a significantly higher percentage of recycled content. In this manner, it will comply with the City's EPPP and preserve the world's forests by mitigating the impact of greenhouse gases.

I THEREFORE MOVE that the Department of Water and Power (DWP) be requested to report in 30 days on its efforts to increase the use of recycled paper, consisting of high recycled content, in its operations including its billing system.

I FURTHER MOVE that the DWP be requested to report on its compliance with the City's Environmentally Preferable Purchasing Policy (EPPP) as it relates to its purchase of sustainable products for its day-to-day activities.

I FURTHER MOVE that the Port of Los Angeles and the Los Angeles World Airports also report on their compliance with the City's EPPP.

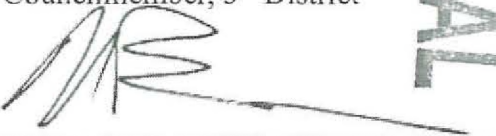
  
AUG 19 2014

PRESENTED BY:



PAUL KORETZ  
Councilmember, 5<sup>th</sup> District

SECONDED BY:



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