ENERGY WORKING GROUP

The Energy Working Group may take action on any item appearing on this agenda.

July 28, 2005

11:30 a.m. to 2 p.m.

SANDAG, 7th Floor Conference Room
401 B Street, Suite 800
San Diego, CA 92101-4231

Staff Contact: Rob Rundle
(619) 699-6949
rru@sandag.org

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# ENERGY WORKING GROUP
July 28, 2005

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<th>ITEM #</th>
<th>RECOMMENDATION</th>
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<tr>
<td>1.</td>
<td>WELCOME AND INTRODUCTIONS</td>
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<td>2.</td>
<td>MEETING SUMMARY FOR THE JUNE 23, 2005 MEETING</td>
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Attached is the meeting summary for the June 23, 2005 meeting. Please review and provide any comments on the summary.

3. PUBLIC COMMENT AND COMMUNICATIONS | COMMENT |

Anyone who would like to address the Energy Working Group on a topic not on the agenda should do so at this time.

4. REPORTS FROM EWG SUBCOMMITTEES | DISCUSSION/POSSIBLE ACTION |

A) Public Policy Subcommittee:
The subcommittee discussed how the EWG might participate in CPUC proceedings and received input from both SDG&E and SANDAG attorneys. The Chair of the subcommittee will provide an overview of the discussion and outline the subcommittee's recommendations.

The EWG decided to wait until this meeting (July 28) to discuss if it was appropriate to write a letter of support for SB1 due to the amendments that were being written into the bill. Staff will provide an update on the amendments. Finally, the Chair of the subcommittee will provide an update on the Legislative Workshop scheduled for October 27, 2005.

B) Resources Subcommittee:
The Chair of the subcommittee will provide an update on acquiring the MRW tool and how that tool will be used to establish the resource mix that will be analyzed as part of the 2006 Long Term Resource Plan.

5. LONG TERM RESOURCE PLAN WORK PROGRAM | APPROVE |

The Energy Working Group had identified participation in the development of the 2006 Long Term Resource Plan as its top priority. The EWG co-chairs and chairs of the EWG subcommittees have developed a work program to guide the work of the EWG and subcommittees through the process. The EWG is asked to approve the work program.
6. ENERGY WORKING GROUP RETREAT AGENDA

The EWG will hold a retreat on September 7, 2005 at the Powerhouse Park community center in Del Mar from 10 a.m. to 3 p.m. At the retreat, the EWG will evaluate its progress to date, discuss recommendations for improvement, identify staffing needs for the upcoming year, and discuss funding options. It is anticipated that the meeting will be professionally facilitated. A draft agenda for the retreat will be distributed at the meeting for review and approval.

+7. CRITICAL PEAK PRICING

SDG&E held a workshop on July 12, 2005 to discuss the proposal for the 2006 Critical Peak Pricing proposal. The EWG provided comments to SDG&E and the CPUC on the 2005 proposal which was never implemented. The EWG will discuss the 2006 proposal and decide if they want to provide comments to SDG&E prior to their August 1, 2005 filing with the CPUC.

+8. ENERGY EFFICIENCY PILOT PROGRAM – CARLSBAD

The initial energy audits of existing facilities in the City of Carlsbad have been completed. Staff will provide an update on potential savings that have been identified for the city and next steps in the pilot program.

9. SUGGESTED MEETING TOPICS FOR NEXT MEETING

Energy Working Group members should suggest items to be discussed at the next or future meeting.

10. ADJOURN

Due to the upcoming workshops, the EWG should identify a date for the next EWG meeting.

+ next to an agenda item indicates an attachment.
June 30, 2005

To: Energy Working Group

From: SANDAG Staff

Subject: June 23, 2005 Meeting Summary

Members in Attendance:
Patti Krebs, IEA
Al Sweedler, SDSU Foundation
Stephen Zolezzi, Food and Beverage Administration
Alan Ball, Qualcomm (Alternate)
Henry Abarbanel, City of Del Mar
Jeff Grissom, County of San Diego
Steve Hoffman, San Diego Regional Chamber of Commerce
Bill Reed, SDG&E
Skip Fralick, Sierra Club
Irene Stillings, SDREO
Scott Anders, SDREO (Alternate)
Rick Van Schoik, SDSU Foundation (Alternate)
Jennifer Porter, San Diego Regional Chamber of Commerce (Alternate)

Others in Attendance:
Alexandra Hart, IBEW.569
Julie Gelfat, IBEW. 569
Bob Leiter, SANDAG
Paul O’Neal, Poseidon Resources and California Power Partners, Inc.
Tom Blair, City of San Diego
Susan Freedman, SDREO
Kurt Kammerer, KJK&A
Scott Crider, SDG&E
Robb Anderson, SDG&E
Andrew Zingale, California State Assembly Lori Saldana
Rob Rundle, SANDAG
Josh Schiffer, SANDAG

1. Welcome and Introductions
   Councilmember Henry Abarbanel welcomed everyone and began the meeting.

2. April 28, 2005 and May 26, 2005 Meeting Summaries
   The meeting summaries of April 28 and May 26 were approved, with one edit given to Rob.
3. Public Comment

No public comments were made.

4. Energy Working Group Charter

Rob Rundle, SANDAG, presented the charter, which outlines the responsibilities of EWG membership, and noted that a couple minor changes were made to the charter. First, the new charter clarifies some members as being The City of San Diego and County of San Diego in addition to the four subareas, and second, the responsibilities in addition to the CPUC proceedings, Rob added the Caltrans Energy Commission.

5. Proposed California Department of Energy

Susan Freedman, SDREO, gave a PowerPoint presentation on the Governor’s proposal to consolidate the functions of the CEC, CPA, CERS, Electricity Oversight Board, and some of the existing functions of PUC into one state run department of energy headed by a cabinet level secretary appointed by the Governor.

Bill Reed, SDG&E, raised the point that the state makes energy policy and then only applies it to investor owned utilities, so it may follow that the consolidation into a single state department would facilitate standards to exempt the municipal load. Furthermore, Mr. Reed, voiced his concern that the measure is incomplete and that it separates citing from rate setting and stated that perhaps there should be an additional consolidation of functions. And finally, Mr. Reed was concerned that CERS, a market participant, is now part of the regulatory process, which may lead to regulation favoring of certain participants.

Dr. Alan Sweedler, SDSU Foundation, cautioned that after the consolidation, if the state makes a policy that does not benefit the San Diego region, then we have less outlets to go to than we do now. We would be forced to go to the Secretary of Energy, who deals with the entire state, making the process more difficult.

The working group debated the effects of the appointed Secretary of Energy not being confirmed by the legislature. The point was brought up that the new arrangement would bring a tremendous amount of control that is serving at the pleasure of the Governor. But, Kurt Krammerer, KJK&A, offered a counter point, stating that we might actually see more public accountability because in the past the public could not take on CEC or CPUC commissioners, but now we can hold the Governor accountable.

Susan Freedman, SDREO, said that if the Little Hoover Commission does send the Governor’s plan to the legislature, the legislature must vote it up or down in sixty days and that this body’s recommendation of support to San Diego legislative delegation would be very valuable. Debate ensued regarding the drafting of a letter of support for the consolidation. The consensus was reached that we can wait until July, because much of the next sixty days will not be spent talking about the Department of Energy. However, if it appears that the legislature is moving quicker than anticipated on the issue, then we can do something via email.
6. Reports from Subcommittees

   A. Policy Subcommittee

   Alan Ball, Qualcomm, reviewed the current energy related legislation, focusing on SB1. He put forth a motion, which was seconded, to develop a statement of support for SB1. However, Dr. Alan Sweedler, SDSU Foundation, suggested that the committee has inadequate knowledge of the bill’s recent amendments and requested that the policy subcommittee do a study of this bill. On the other hand, the point was raised that SANDAG’s adopted Regional Energy Strategy contains a strong statement for renewable energy support and we, therefore, should weigh in on the bill since it deals with renewables. The working group debated over whether or not to take a position on this bill. The working group came to the consensus that since September 9 is the last day to pass the bill, there will likely be additional amendments, so we will be more effective if we see how the bill develops, rather than taking a position right now. Dr. Sweedler added that the policy subcommittee could prepare a discussion and invite representatives to participate in a discussion at the next meeting.

   Alan Ball, Qualcomm, reported that we do not currently have the resources to participate in the Rate Design window proceeding, but we will contact Michael Shames to see if we can get support. Councilmember Henry Abarbanel said that he will meet with Mr. Shames to discuss this issue.

   Next Policy Subcommittee meeting, July 11, 2005 9am—11am at Qualcomm

   B. Resources Subcommittee

   Councilmember Steve Hoffman stated the last meeting the public raised that issue on San Onofre Nuclear Power Plant and now we are thinking about having a workshop on the certain issues that might be relevant to us, although the form of the workshop is still unclear. Also, Mr. Hoffman discussed the MRW planning tool that we voted to obtain the license to use. He announced that we are now within $1,000 of the necessary $5,000 required funding. Everyone in the Energy Working Group will get a letter addressed to them and geared toward their constituents, asking if they want to participate. In August 2006, it is predicted that SDG&E will follow the Long Term Resources Plan to the commission for approval and that this group wants to be an informed participant in the process. It is this committee’s goal to develop a metric that will rank the different resources that are being analyzed by SDG&E, but we want to do our own analysis. Mr. Hoffman will introduce a one year effort to develop a cost benefit assessment. Mr. Hoffman said that he expects to have money in hand and contracted within three weeks and that he already has strong commitments for the majority of the money.

   Kurt Krammerer, KJK&A, said that he was unable to attend the last resources subcommittee meeting, but that at the last regular meeting he submitted a proposal for an alternative strategy and the committee did not go with the strategy. However, he wanted to reinforce that he still has concerns about the cost effectiveness of the MRW tool and its contribution to the process. Mr. Hoffman replied by thanking Kurt for his input, and said, we respect your point, but the committee has a need for speed and they are confident in the model.
Mr. Hoffman added that eventually this model’s assumptions will be identical to SDG&E’s assumptions, but we will rank them differently. Kurt Krammerer, KJK&A, countered that the assumptions will likely be different since SDG&E’s cost will be over a two year time frame, while our model will be a thirty year time frame. After the debate, there was a consensus that we are more powerful going to Sacramento with something that we and SDG&E can agree with.

Next, Councilmember Steve Hoffman announced his desire to possibly have a resource road show, which he envisioned to be a one day trip where the group members can tour some things that we are talking about such as the tour wind resources plants, the Salton Sea Geothermal, etc.

The next Resources Subcommittee meeting will be July 11th, 11am-1am at SDREO

7. CEC IEPR WORKSHOP ON IOU RESOURCE PLANS

Scott Anders, SDREO, gave a presentation on the IEPR reports, which focused on three of four reports that will be discussed for next week’s Electricity Demand Forecast meeting on June 30 in Sacramento. The three reports discussed were Staff energy demand forecast, electricity demand forecast comparison report, IOU resource plan summary assessment.

Susan Freedman, SDREO, gave a second presentation on the IOU Resource Plan Summaries that will be on June 29 from 1pm-5pm in Sacramento. During the event, the CEC and IOU staff will present their findings, the participants will have the opportunity to cross examine and question the CEC and IOU staff, and there will be a public comment opportunity. She mentioned that after the two workshops, there will be a follow-up one on July 7th in Sacramento, at which, the CEC will take all of the information from the previous two and go through the recommendations made.

8. SUGGESTED MEETING TOPICS

Councilmember Henry Abarbanel announced two important upcoming events. There will be an annual retreat on September 7th. On October 27th, in lieu of the regular meeting, we will have a legislative workshop. A letter will be sent to all supervisors, council members, city managers, and mayors inviting them. Councilmember Abarbanel asked that everyone set aside that day to participate in the discussion about what legislation we would like to see in the 2006 legislative session. The time will be approximately 9am to 12pm, but may be extended to 1pm. There will be a Climate change workshop in December on either the 12th, 13th, or 14th, based on room availability, but the Councilmember Abarbanel asked that everyone keep all these days reserved. And lastly, we will decide next month on whether or not to have an August meeting.

Skip Fralick, Sierra Club, suggested that we have a discussion about solar and other renewable energy road blocks next meeting. Skip agreed to take the idea to the Resources Subcommittee, write up the issues, and give a ten minute presentation on them for next meeting.

Irene Stillings, SDREO, had three announcements. First, she wants to introduce the new CPUC Commissioner, Dian Grueneich, to the San Diego energy community and suggested either July 28th or August 8th, although the dates are still unclear and it will be a forum type setting. Second, next week the West Coast Energy Management Congress is in town at the convention
center, and if you would like to go see Irene for your free pass. Irene Stillings will be moderating the speakers on the morning of June 28th. And third, she announced that the SDREO will host their first annual Solar Energy Week from September 25th through October 1st. A couple of the activities include a conference at Qualcomm’s auditorium on Thursday September 29th and a tour of commercial rooftop systems.

9. **ADJOURN**

Meeting adjourned at 2 p.m. The next meeting is scheduled for July 28, 2005 from 11:30 a.m. to 2 p.m.
Long-Term Resource Plan Process
Proposed Work Plan for the EWG

Goal: The EWG adopted the following goal at its June 2004 meeting.

"Develop and execute a stakeholder-based energy resource planning process that ensures sufficient participation, influence, and regional consensus to guide SDG&E’s submittal of the regional long-term resource plan (LTRP)."

Process: To accomplish this adopted goal, the EWG will conduct the following broad activities:

1. Update the Regional Energy Strategy guiding principles and goals to develop an overall policy position that will guide analysis [LONG TERM].
2. Conduct analysis on the short-term (10 years) resource needs to provide input to SDG&E on the most appropriate strategies to fulfill those needs [SHORT TERM].
3. Conduct analysis to determine the impacts of the short-term plan on mid- and long-term options (10-30 years) [MID TERM & LONG TERM].

Clarification of Terms:

- **Regional Energy Strategy** – Long-term policy document that expresses priorities, preferred outcomes and broad goals for the San Diego region.
- **Long-Term Procurement Plan** – A short-term planning document that guides the SDG&E’s procurement of energy over the next 10 years. The LTRP’s main goal is to maintain reliability and resource adequacy in the region, while taking into account the region’s long-term policy position.

I. Map Out LTRP Process (Jul 2005)

The first step in the process is to develop and adopt a detailed work plan that will guide the EWG work in this area. A work plan is essential to keep the EWG focused and on track to meet the stated goals.

- Determine scope of work
- Develop work plan with milestones and deliverables
- Assess SDG&E LTRP process and timeline

**Deliverable:** Detailed Work Plan for LTRP Process
II. Develop Policy Statement (Aug/Sep 2005)

Prior to resource analysis, it is useful to develop a policy statement that includes broad goals, guiding principles and a set of policy priorities and preferences.

- Determine overarching policy approach/direction
- Develop guiding principles
- Adapt Regional Energy Strategy Guiding Principles
- Update Regional Energy Strategy long-range goals
- Incorporate the Energy Action Plan “loading order” and other state policy goals/directions

**Deliverable:** EWG Long-Range Policy Statement Document


This is a quick assessment of the MRW resource tool to determine the extent to which it will have to be updated and modified to meet the analytical needs of the EWG.

- Acquire the MRW Resource Planning Tool
- Meet with MRW to discuss Resource Planning Tool
- Develop common nomenclature and accounting of resources
- Modify MRW model as needed to reflect common nomenclature
- Update data as needed
- Review assumptions
- Modify assumptions as needed
- Determine preliminary resource needs

**Deliverable:** Updated MRW Tool

IV. Conduct Analysis of Resource Categories (Sep - Oct 2005)

Analyzing each resource category within the MRW Tool will allow the EWG to consider new data from SDG&E and the CEC and to ferret out issues within each resource category and to come to a consensus on how to approach each one. Working with SDG&E, the EWG can conduct a preliminary cost benefit analysis of each resource and develop staff issue briefs/EWG position papers on selected topics to serve as background for discussions and decisions. Staff issue briefs/EWG positions could contain specific resource recommendations and long-range policy objectives/directions. Conclusions of this discussion can be used in the MRW tool. Topics for discussion include:

- Load Forecast
- EE/DR
- Self Served Load (renewable & non-renewable DG)
- Other LSE Load (DA, CCA)
- In-Area Resources (Conv. & Renewable)
- Transmission
- Out-of Area Resources (Conv. & Renewable)
Possible additional topics for analysis:

- Climate Change
- Water and Energy
- Land Use and Energy
- Transportation Energy

**Deliverable:** Series of staff issue briefs/positions papers on selected key topics.

**V. Determine Resource Needs (Oct 2005)**

Based on the work in Tasks 3 and 4 above, the EWG will determine the short-, medium-, and long-term energy needs of the region. The focus will be on the short-term (10 years).

- Apply conclusions of resource analysis to MRW tool
- Focus on short term resource needs – next 10 years
- Determine medium- and long-term resource needs – next 10-20 years
- Infer long-term trends and issues
- Supply Adequacy (MW)
- Energy Supply Demand Balance (kWh)

**Deliverable:** Staff position paper outlining regional resource needs.

**VI. Analyze Options to Meet Identified Needs (Nov-Dec 2006)**

Once the resource needs are determined, the EWG will assess the resource options and develop possible resource portfolio scenarios to be modeled in Task 7.

- Determine resource mix available to meet needs
- Develop 1-3 scenarios for modeling
- Conduct cost-benefit analysis
- Consider mandatory CPUC requirements
- Compare with SDG&E planned resource scenarios, identify similarities and differences (reasons for difference)
- Provide resource scenarios to SDG&E for their modeling

**Deliverable:** 1-3 Resource Scenarios

**VII. Conduct Resource Portfolio Modeling (Jan-Feb 2006)**

SDG&E will conduct production cost modeling for 1 or 2 alternate scenarios that include different resource mixes.

- Conduct modeling for 1-3 resource scenarios (SDG&E preferred case + 2 alternatives)
- Determine the costs, benefits, and stakeholder impacts of each scenario
- Determine environmental costs/benefits including climate change emissions

**Deliverable:** Issue brief on Modeling Results
VIII. **Determine Optimal Resource Portfolio (March 2006)**

- Review modeling results
- Draft final position paper on EWG’s preferred resource portfolio mix/approach
- Provide SDG&E the EWG issue briefs

**Deliverable:** Final Position Paper

IX. **Provide Input on SDG&E LTRP (April 2006)**

- Review SDG&E LTRP concept prior to filing
- Provide written comments to SDG&E prior to submittal to CPUC

**Deliverable:** Written comments on SDG&E’s LTRP concept (if needed)

X. **SDG&E Submits Final Long-Term Procurement Plan (Spring-Summer 2006)**

- EWG draft support or dissent document for inclusion in SDG&E LTRP submittal
- EWG drafts comments/reply comments

**Deliverable:** Support/Dissent Document and Comments on filed LTRP
CPUC Vision

“All California electric consumers should have the ability to increase the value derived from their electricity expenditures by choosing to adjust usage in response to price signals…”

– CPUC Decision 03-06-032

Background

- Original Assigned Commissioner Ruling Issued on December 8, 2004, ordering the State’s utilities to file applications for default rates for customers with demands > 200kW.
- SDG&E filed a CPP proposal developed with input from stakeholder workshops.
- The Commission did not adopt default CPP rates for 2005, but directed IOUs to file default CPP rate proposals for 2006 on August 1, as part of Rate Design Window proceeding.

Our Proposal

- CPP rates will be applicable to bundled TOU customers with accounts with demands ≥ 200 kW
- Accounts with demand ≥ 200 kW at least 3 months in calendar year 2005
- CPP rates will be designed revenue neutral (with a small participation incentive) to TOU commodity rates proposed in SDG&E’s Rate Design Window (A.05-02-019) or otherwise applicable in 2006.
Our Proposal

- Default CPP rate
- Lower costs during non-critical peak periods
- Higher costs during peak periods on critical days
- Capacity Reservation feature to limit amount of usage subject to CPP rate
- Opt-out options will be available

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CPP Time Periods

- On non-CPP days: same as Schedule AL-TOU periods:
  - On-Peak: 11 a.m. – 6 p.m. Weekdays
  - Semi-Peak: 6 a.m. – 11 a.m. and 6 p.m. – 10 p.m. Weekdays
  - Off-Peak: 10 p.m. – 6 a.m. Weekdays, Plus Weekends & Holidays

- On CPP days:
  - On-Peak: 11 a.m. – noon Weekdays
  - CPP Period: noon – 6 p.m. Weekdays
  - Semi-Peak: 6 a.m. – 11 a.m. and 6 p.m. – 10 p.m. Weekdays
  - Off-Peak: 10 p.m. – 6 a.m. Weekdays, Plus Weekends & Holidays

- TOU seasons remain unchanged:
  - Summer May 1 thru September 30
  - Winter October 1 thru April 30

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CPP Days

- Rates will be designed assuming 15 CPP events (days) with 6 CPP hours each event
- Alternately, rates could be designed assuming 13 CPP events (days) with 7 hours each event
- Which approach would be preferable?
- The longer CPP period would result in better coverage of the top 90 hours and therefore higher temperature and demand trigger thresholds
- Higher thresholds should result in fewer CPP events, all else being equal.

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Default CPP Prices

- The longer term proposal is a default CPP commodity price design that recovers the marginal capacity costs for the top 90 peak hours for customers with accounts with demands of 200 kW or greater during CPP event hours. This will be in addition to the on-peak marginal energy cost.
- For 2006, the proposal is to design the default CPP commodity price to move 25% of the way toward a fully cost-based CPP rate level.
- This cost would be removed from the otherwise effective commodity prices, resulting in lower prices for all non-CPP hours of the year.
- Default CPP customers will receive a participation incentive in the form of a further price reduction.
- The cost of this incentive will be recovered from the class of customers qualifying for default CPP (bundled, TOU, demand of 200 kW or greater), with a one-year lag.

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Capacity Reservation

- Capacity Reservation provides customers with the flexibility to manage bill stability and limit energy consumption that is subject to the CPP price.
- Customers can select a kW threshold based on a percentage of their maximum historical demand on which they will be billed a flat rate per kW per month. Consumption associated with this demand level will not be subject to CPP period prices.
- Only consumption associated with demand above the capacity reservation level will be subject to the CPP price during CPP events.

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Capacity Reservation

- The default Capacity Reservation Charge per kW will be based on 25% of the marginal cost of capacity.
- A minimum 50% capacity reservation percentage will apply to each account. Customers may select a higher capacity reservation level.
- Customers who can and want to reduce or shift greater than 50% of their demand on CPP days can select one of the voluntary CPP programs.
- For 2006, the minimum capacity reservation level will be based on 50% of the maximum summer on-peak demand during calendar year 2005. For subsequent years, it will be based on 50% of the prior year maximum CPP period demand.

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Opt-out Options

- Otherwise applicable TOU rate
- No rate premium will be applied
- Voluntary CPP
  - Bill Protection for the first year – only through December 31, 2006
- CPP-E (Emergency)
  - Day-Of program with greater price differentials
  - Designed for customers who can respond with 30-minute notice
- Fully Cost-based CPP
  - Day-Ahead program with greater price differentials
  - Designed for customers with demand response certainly

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Example

- Customer has a maximum 300 kW peak demand during summer 2005
- Customer selects 200 kW as a capacity reservation
- Customer pays $314.00 per month for CRC
- On CPP event days the customer is able to reduce demand from 300 kW to 250 kW
- In each hour the first 200 kWh used are reserved and will be billed at the otherwise applicable on-peak price of $0.109
- In each hour the 50 kWh used above the reserved 200 kW demand will be billed at the CPP price of $0.347 per kWh

Sample Commodity Rates

|                  | CPP      | Opt-out TOU
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<td>Capacity Reservation Charge</td>
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<tr>
<td>Energy Rates</td>
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<tr>
<td>On-Peak</td>
<td>0.159 per kWh</td>
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<tr>
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<tr>
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<td>0.036 per kWh</td>
<td>0.042 per kWh</td>
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1 CPP energy rates include a participation credit of $0.003 per kWh
2 Proposed in Rate Design Window application

CPP Triggers

- CAISO Stage Alerts
  - Declared by 3PM the day prior to the event
  - May be cancelled if CAISO cancels alert
- Temperature forecast with SDG&E system peak
  - Forecasted temperature of ≥~84 degrees at MCAS Miramar
  - SDG&E system peak > ~3,700 MW
- SDG&E local emergencies
  - Grid reliability issues or other localized issues

Example

- Customer notifications by 3:00 p.m. the prior day
  - SDG&E website, e-mail or pager
- Events will only be called if needed
  - May be cancelled upon CAISO cancellation
  - No minimum or maximum number of events
  - If no events needed, none will be called

CPP Triggers

- There are obvious issues with forecasting on Friday the need for a CPP event on a Monday or Tuesday following a Monday holiday.
- Which approach would be preferable?
  - Cancellation of Monday CPP events if conditions change by Monday morning
  - Trigger notifications on Sundays for Monday CPP events (or Monday holidays for CPP events the following Tuesday)
  - Pre-notification on Friday of the potential to call an event on a Sunday or holiday Monday
Assistance

- Technical Assistance
  - Free on-site audits to evaluate energy efficiency and demand response opportunities
  - Or, will help to pay for customer-selected engineering firm to conduct site assessment
    - Up to $50/kW of identified load reduction

- Technology Incentives
  - Up to $100/kW of load reduction for installed demand response technologies

Voluntary Programs

- Voluntary CPP
  - Bill Protection available for first year
  - Demand Bidding Program (DBP)
    - No penalties
  - CI Peak Day 20/20
    - 20% discount on on-peak charges for 20% load reduction
    - Clean Generation
      - Utilizes “clean” back-up generators
    - Peak Generation
      - Utilizes back-up generators during emergencies

Energy Efficiency

- Express Efficiency
  - Rebates for the installation of lighting, refrigeration, food service equipment and other technologies
  - Available to business customers < 500 kW

- Savings Bid Program
  - Incentives for business customers who install innovative high efficiency equipment
  - Customers propose the incentive amount necessary to implement the project

Energy Efficiency

- Standard Performance Contract (SPC)
  - Incentives for retrofitting any gas or electric equipment
  - Available for medium to large-size customers who do not qualify under Express Efficiency guidelines
  - Incentives based on documented savings

- Savings By Design (New Construction)
  - Incentives available for the design team and owner
  - Available for new buildings or tenant improvement
Next Steps

• Utility applications for 2006 CPP are to be filed August 1, 2005.
• We will communicate procedural schedule once it is available.
• It is anticipated that rates would go into effect May 1, 2006.
• We will hold another customer workshop following the filing.

CPUC Approval

• All applications are subject to CPUC process and procedure.
• SDG&E’s Application represents only what SDG&E has proposed.
• The CPUC has indicated that it favors statewide consistency.
• What is implemented may be substantially different.

How To Participate

• Customers may contact the CPUC, the Legislature or other elected officials
• You may wish to become an intervenor.
  • CPUC website - Guide to Public Participation
  • http://www.cpuc.ca.gov/static/aboutcpuc/divisions/csid/public+advisor/08-04-03+guide.htm

SDG&E Contact Information

• SDG&E website:
  www.sdge.com/business/defaultcpp.shtml
• SDG&E Toll-Free Number
  1-866-377-4735
• SDG&E E-mail Address (Demand Response Programs)
  DRP@semprautilities.com
• Website address to view SDG&E Application and subsequent material:
CARLSBAD ---- City officials could cut Carlsbad's annual power bill by $150,000 if they follow the recommendations in a new energy audit, its authors told the City Council on Tuesday.

“There's a lot of different measures that are off-the-shelf (items) that we can put in there and save you money,” said Susan Freedman of the San Diego Regional Energy Office.

A review of city-owned buildings indicates that energy conservation could be improved anywhere from 10 percent to 45 percent, she said. Structures that could stand the most improvement include the Cole Library on Carlsbad Village Drive and the community center in Calavera Hills Park, Freedman added.

The city could save $20,245 annually just by replacing the aging air conditioning system and reworking the fan system at its Safety Center building on Faraday Avenue, the study found.

If Carlsbad follows all of the energy-saving recommendations, it could net enough money to equal the amount it currently spends to power the city's Faraday Building, also on Faraday Avenue, each year, Freedman said.

Carlsbad is getting an independent review of its energy consumption because it has been selected as a "guinea pig" ---- the pilot program participant for what will become a regional study of municipal energy consumption, said Henry Abarbanel, co-chair of the San Diego Association of Government's energy working group.

Vista, Poway and Santee also sought the honor, but Carlsbad was selected in part because it plans to build many new municipal buildings in the next several years, he said. The construction proposals offer energy reviewers a chance to improve what is in the future, rather than being limited to fixing what has already been built, he said.

In addition to three now-under-construction parks projects, Carlsbad has plans to build a pool complex, a municipal golf course, an emergency services training center and a civic center, among other things.

Joseph Garuba, Carlsbad senior management analyst, said the city is reviewing the study's findings and staff members will make recommendations to the council within several months. Making all the recommended upgrades would cost about $1 million, he said. While some items may be quickly introduced, others with larger price tags may be put into the city's capital project budget in the coming years, he said.

After hearing the report, council members praised the presenters, but said Abarbanel needs to make one improvement.

"We'd like to refer to ourselves as pioneers, rather than guinea pigs," Councilwoman Ann Kulchin told him as audience members chuckled.

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