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2008 ENERGY OUTLOOK: Keeping the focus on reliability

To meet the energy needs of your business now and in the future, SDG&E® plans to keep advancing key projects in 2008.

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“We’ve been steadily building a mix of resources to keep pace with our customers’ growing demand for energy.”

– Debra Reed
SDG&E President and
Chief Executive Officer

customers’ growing demand for energy,” says Debra Reed, SDG&E president and chief executive officer. “Our long-term plan for providing reliable service to the region includes helping customers reduce their energy use,

adding more renewable energy, lining up new energy supplies and increasing our capacity to deliver energy.”

Multi-year efforts moving ahead in the new year include:

- **Energy-efficiency programs.** SDG&E offers numerous ways for businesses to save energy and money.
- **Renewable energy.** SDG&E is working to supply an increasing amount of customers’ energy needs from more environmentally sustainable sources, such as wind, solar, geothermal and biomass power, but new transmission lines are needed.
- **Otay Mesa Energy Center.** SDG&E signed a 10-year contract to purchase competitively priced power from this 573-megawatt plant, which is targeted to come online in summer 2009.
- **“Peaker” plants.** To prepare for the region’s periodic peak-power needs, SDG&E signed power-purchase agreements with two companies to supply 138 megawatts of quick-start generation from three small, efficient units scheduled to come online in summer 2008.
- **Sunrise PowerlinkSM.** SDG&E is seeking approval from regulators for a 150-mile transmission line that is needed for reliability and increased access to renewable energy.

A commitment to reliability helped SDG&E win recognition as the “best in the West” for electric service reliability for the second year in a row. SDG&E received the 2007 ReliabilityOne™ award in the Western Region from PA Consulting Group last fall.

For updates on SDG&E’s progress, visit www.sdge.com/news.

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Thank you for making a difference

didyouknow?



Throughout the year, SDG&E offers seminars and training opportunities geared toward a variety of business energy needs and interests. You can learn about these opportunities – and enroll online for them – at sdge.com/training.

The focus is on saving energy and money via practical energy-management techniques and technologies. Seminar topics include heating, ventilating and air-conditioning (HVAC) systems, energy-efficient lighting, premium-efficiency motors, boilers and more. Some seminars are targeted toward specific industries, such as health care, biosciences and food services.

Seminars also cover SDG&E rebate and incentive programs, so you can learn which energy-saving opportunities make sense for your facility.

New seminar listings are posted quarterly at sdge.com/training, so be sure to check back for updates.




Thank you for making a difference

The October 2007 wildfires that devastated local communities also put a severe strain on California's entire power grid. SDG&E thanks the many businesses that chose to conserve energy at critical periods when the region needed it the most.

In particular, the immediate response of businesses participating in SDG&E demand-response programs played a vital role in helping to maintain the integrity of California's entire power grid. If your business was among those, your energy-saving efforts during the firestorms allowed SDG&E to continue providing electricity to local communities, restore service to affected areas as quickly as possible and prevent additional outages.

Helping your business save energy is one of the ways SDG&E is developing energy solutions to help the region. To learn more, visit www.sdge.com/esc.



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Research center gets energy savings down to a science

The quest to get energy savings down to a science proved to be a good business move for the **Genomics Institute of the Novartis Research Foundation (GNF)**. With a six-building, 260,000-square-foot research center housing 560 employees in the Torrey Pines Science Park in San Diego, GNF is “a heavy electricity user due to air-handling requirements,” explains Mark Weselak, GNF director of facilities engineering. “We have to change the air in our labs six to 20 times per hour, and all that air needs to be cooled or heated. We spend over \$2 million each year on electricity.”



Mark Weselak, GNF director of facilities engineering (middle), and his facilities team, Charlie Newell (left) and John Menard, coordinated GNF's energy-saving initiatives.



GNF earned more than \$380,000 in SDG&E incentives for energy-efficiency upgrades.

To trim those power bills, Weselak says, “we work closely with SDG&E, Siemens Building Technologies, Apex Mechanical and Xnth on various cost-saving capital projects.”

In 2007, SDG&E's **Technical Assistance** program reimbursed GNF for Siemens to conduct an on-site audit that identified potential ways to reduce electricity use during the region's most critical peak-use periods, known as demand-response events. As a result, GNF chose to upgrade its building energy management system. Siemens acted as the project sponsor and installed the controls through SDG&E's **Technology Incentives** program for demand-response projects and **Energy Savings Bid** program for energy-efficiency projects. SDG&E paid GNF a combined incentive of \$382,761 that covered 100% of the cost of upgrading the energy management system and a percentage of various chiller plant, air handling and lighting modifications.

The new technology enabled GNF to take advantage of a lower year-round electric rate – in exchange for accepting higher on-peak rates on a maximum of 15 summer days – through SDG&E's **Critical Peak Pricing** program. SDG&E's **rate analysis** identified the potential energy cost savings for GNF to participate and SDG&E's **12-month bill protection** meant that “the worst case was no change to the electric bill,” says Weselak. He estimates that GNF will tally savings of \$45,000 to \$50,000 once it completes its first year on Critical Peak Pricing, having reduced its electricity use for all nine demand-response events that SDG&E called during critical peak-use periods last summer.

For more information about GNF's experience, visit www.sdge.com/esc, go to the “Med-Large Business Customers” section and click on “Customer Profiles.” To see how SDG&E energy-saving programs can work for your business, call 1-800-644-6133.