

# *connected ●●●● to the sun*

*Share the Sun<sup>SM</sup> and SunRate<sup>SM</sup> Workshop #3*

*Wednesday, January 30, 2013 – 9:30 am*

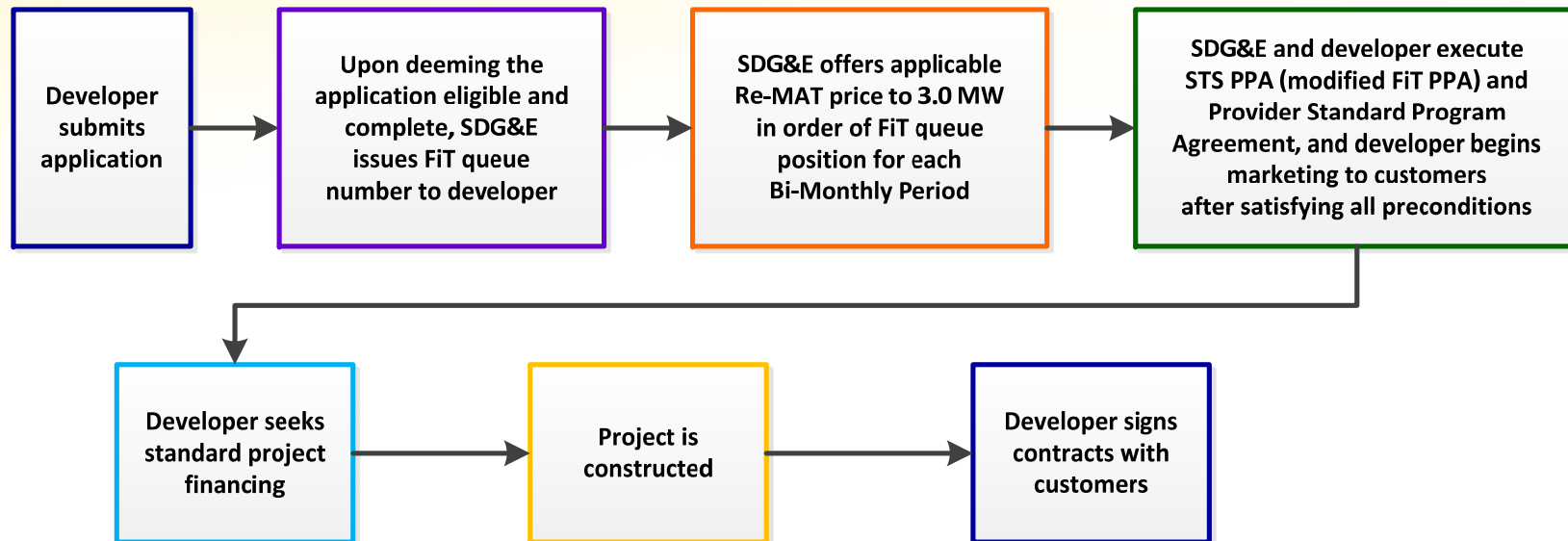


## *connected.....to the sun: Day 3 Agenda*

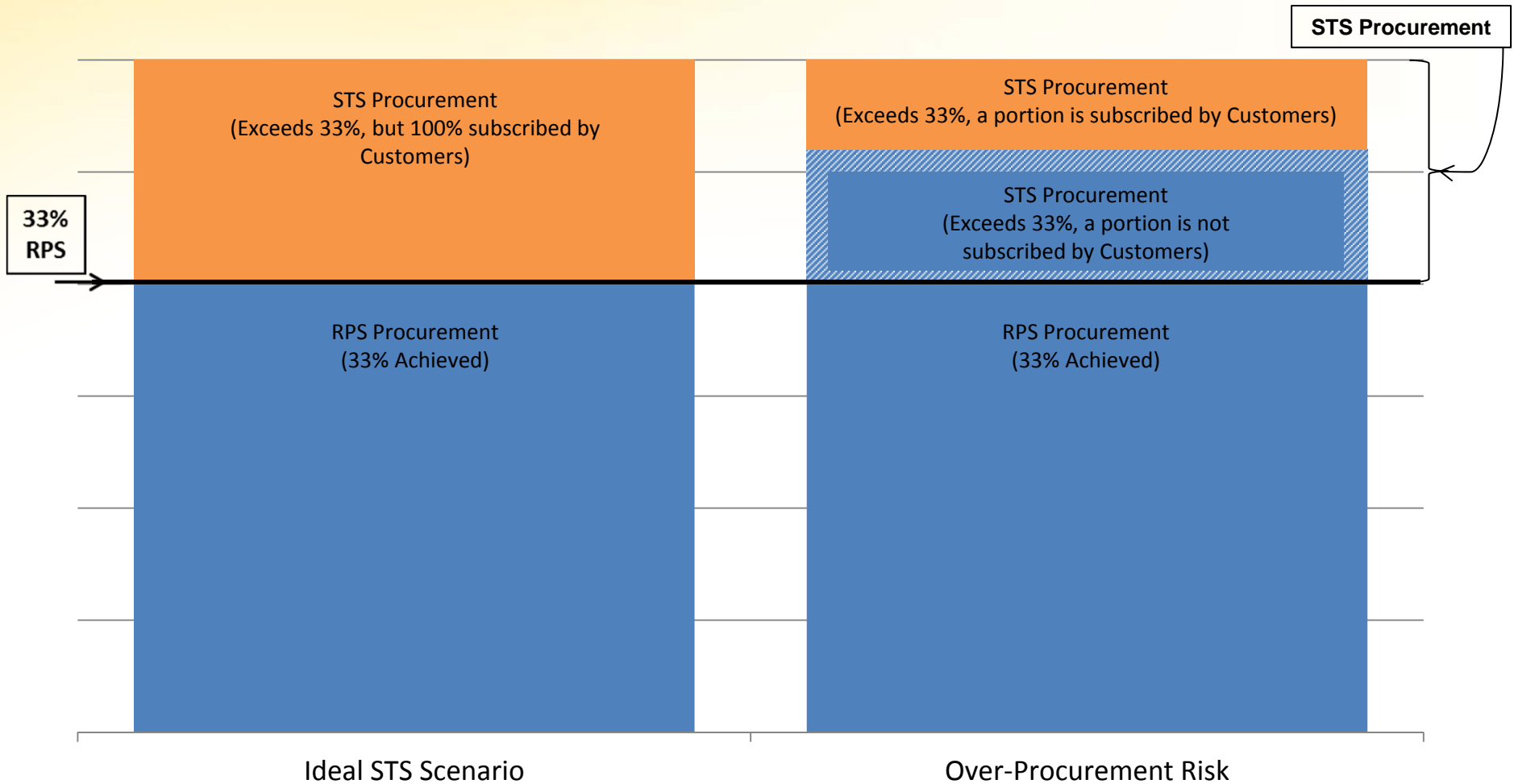
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- Share the Sun Contracting Process
- Relationship to SDG&E's RPS Goals
- Program Costs
- Competitive Market Implications
- Program Expansion

# Share the Sun ("STS"): Contracting Process



# Share the Sun ("STS"): Impact on SDG&E's RPS Goals



- *The above is an illustrative example only and does not show SDG&E actual or projected procurement data*

# Share the Sun ("STS"): Impact on SDG&E's RPS Goals, ctd...



- Any unsubscribed portion of an STS facility's capacity shall be purchased by SDG&E and will be subject to all RPS program rules

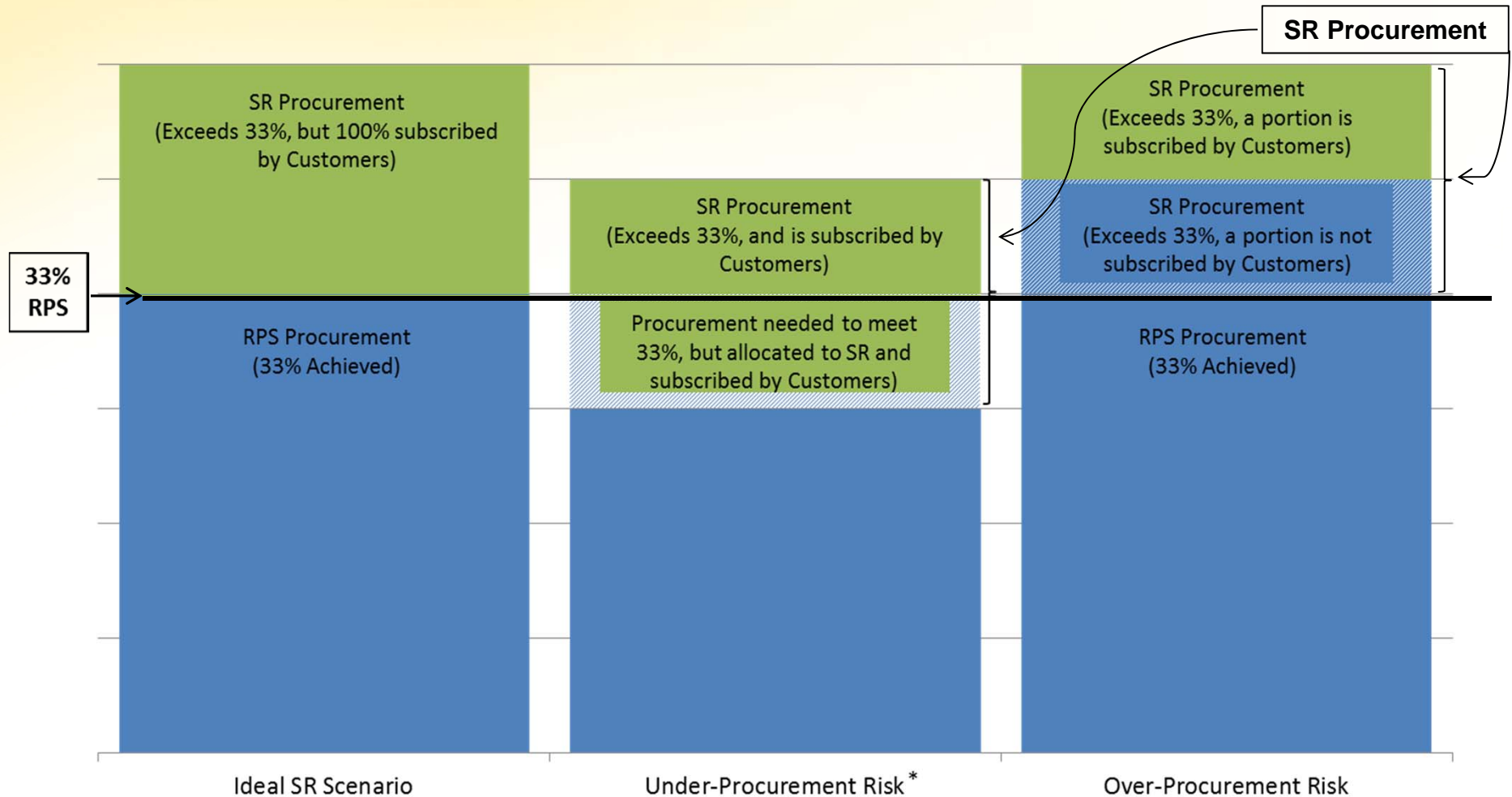
Risk	Short-Term Mitigation	Long-Term Mitigation
<b><u>Over-Procurement</u></b> Developers may not be able to fully subscribe their facilities	<ul style="list-style-type: none"><li>• Any MW not subscribed under the STS program shall count against the capacity available under SDG&amp;E's FiT program</li><li>• If there is no capacity available under SDG&amp;E's FiT program, SDG&amp;E can bank unsubscribed STS capacity for use in a future compliance period</li></ul>	<ul style="list-style-type: none"><li>• SDG&amp;E can sell excess capacity</li></ul>

# Share the Sun: STS Facility Subscription Requirements



Facility Subscription Requirement Proposal for Pilot from Testimony	Current Facility Subscription Requirement Proposal for Pilot	Facility Subscription Requirement Proposal (Post-Pilot)
<ul style="list-style-type: none"> <li>• Separate Share the Sun queue</li> <li>• Initial Maximum Capacity Limit: 1 MW                             <ul style="list-style-type: none"> <li>• Minimum Subscription Level Required over Contract Term: Not specified</li> </ul> </li> <li>• Maximum Capacity Limit once the 1 MW facility is 80% subscribed: 3 MW                             <ul style="list-style-type: none"> <li>• Minimum Subscription Level Required over Contract Term: Not specified</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Combined FiT/Share the Sun queue</li> <li>• Developer will apply under the new Re-MAT FiT Program, and indicate an interest in the STS program</li> <li>• If deemed eligible, the developer will receive a queue number, and if the developer accepts a Re-MAT price, will execute an STS (modified FiT) PPA with SDG&amp;E</li> <li>• Developer’s facility will be limited to 3 MW, and any unsubscribed capacity will count against SDG&amp;E’s FiT capacity</li> </ul>	<ul style="list-style-type: none"> <li>• Initial Maximum Capacity Limit: 1 MW                             <ul style="list-style-type: none"> <li>• Minimum Subscription Level Required over Contract Term: None</li> </ul> </li> <li>• Maximum Capacity Limit once the 1 MW facility is 80% subscribed: 3 MW                             <ul style="list-style-type: none"> <li>• Minimum Subscription Level Required over Contract Term: 50%</li> <li>• Checkpoints, if subscription falls below                                     <ul style="list-style-type: none"> <li>• 70% in any 12 month period (rolling average), developer must provide a remedial action plan for improving subscription level</li> <li>• 50% in any 12 month period (rolling average), developer is in default and SDG&amp;E has the option to terminate</li> </ul> </li> </ul> </li> </ul>

# SunRate ("SR"): Impact on SDG&E's RPS Goals



• **The above is an illustrative example only and does not show SDG&E actual or projected procurement data**

\*RPS non-compliance is a shareholder cost and will in no way impact SDG&E customers

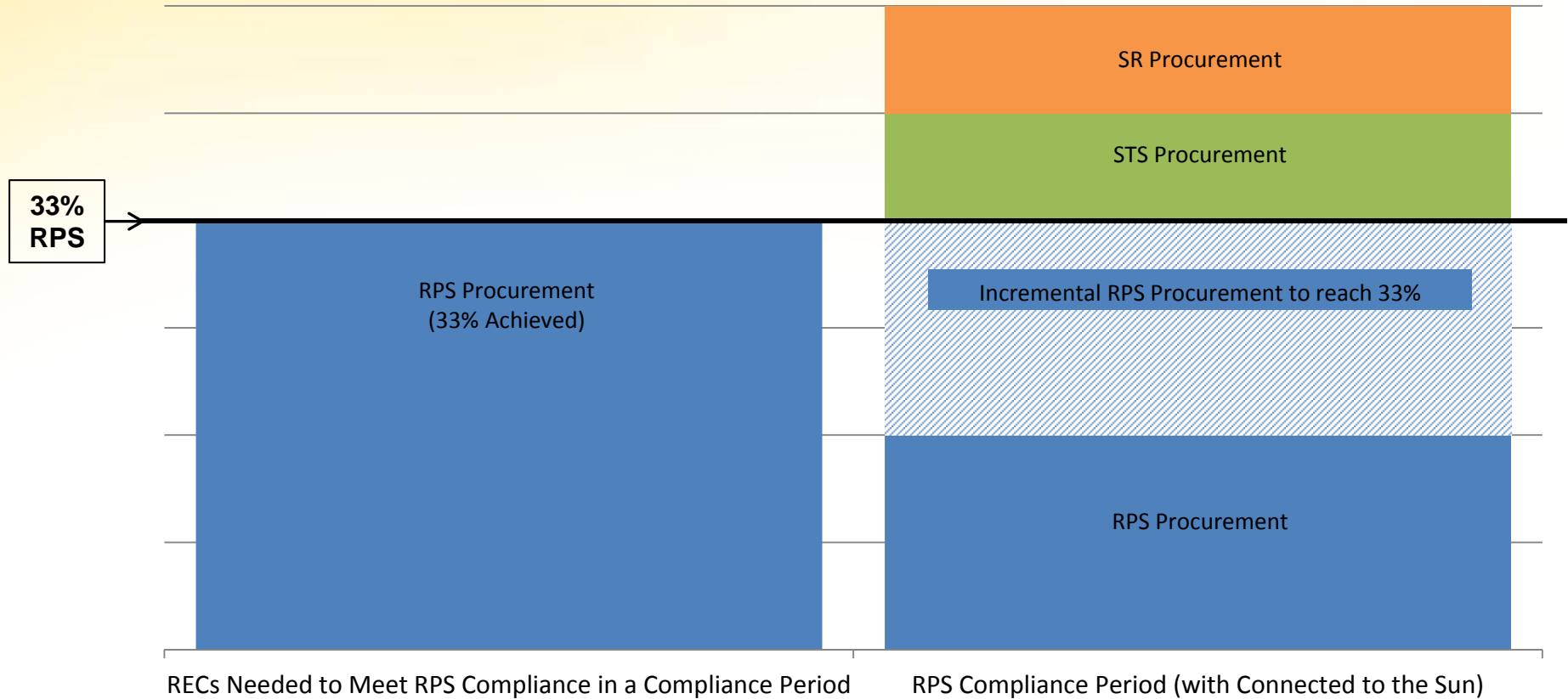
## SunRate ("SR"): Impact on SDG&E's RPS Goals, ctd...

- SDG&E will allocate capacity from its existing portfolio of local solar projects to the SR program

Risk	Short-Term Mitigation	Long-Term Mitigation
<b><u>Under-Procurement</u></b> The capacity allocated to the SR program may have been needed to meet RPS compliance	<ul style="list-style-type: none"> <li>• SDG&amp;E can use short-term contracting</li> </ul>	<ul style="list-style-type: none"> <li>• SDG&amp;E can contract with additional RPS eligible facilities</li> </ul>
<b><u>Over-Procurement</u></b> SDG&E may procure capacity above its RPS compliance goals in order to allocate this to the SR program, which then may not become fully subscribed, or subscription may fluctuate (reduce)	<ul style="list-style-type: none"> <li>• SDG&amp;E can bank unsubscribed SR capacity for use in a future compliance period</li> </ul>	<ul style="list-style-type: none"> <li>• SDG&amp;E can sell excess capacity</li> </ul>



# connected.....to the sun: Incremental Energy



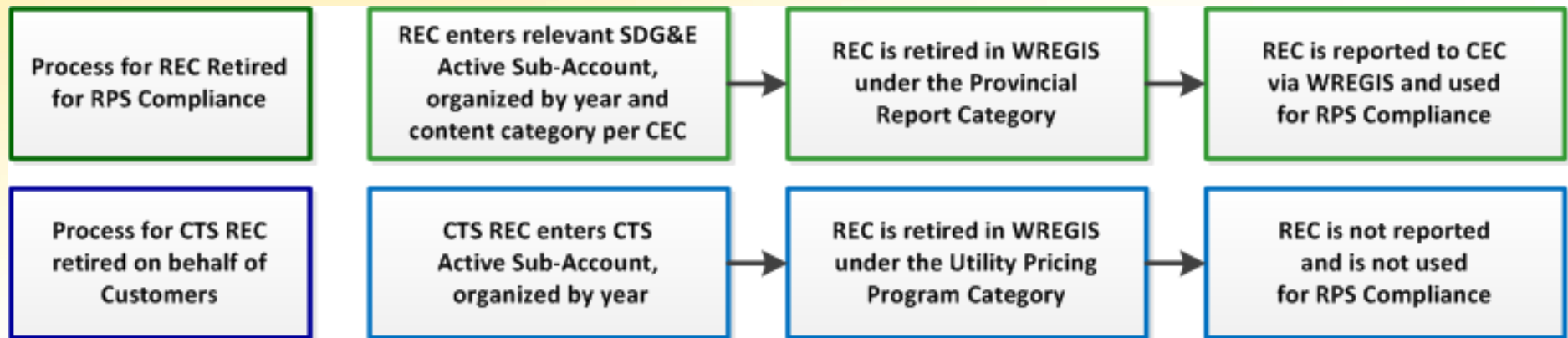
- SunRate MW are allocated directly from SDG&E's RPS portfolio and may need to be replaced
- Share the Sun MW are procured by SDG&E in excess of its RPS requirements
- *The above is an illustrative example only and does not show SDG&E actual or projected procurement data*

# *connected.....to the sun: REC Tracking in WREGIS*



- Prerequisites for data reporting and certificate creation – a Generating Unit (“GU”) must be:
  1. Registered and approved in WREGIS;
  2. Assigned to a revenue meter ID; and
  3. CEC certified
- REC Reporting Process
  1. The GU is assigned to an Active Sub-Account
  2. Generation from the GU is reported to WREGIS by its Qualified Reporting Entity (“QRE”)
  3. Certificates are created 90 days after they have been reported to WREGS, and these RECs are then deposited into a GU’s Active Sub-Account(s)
  4. The GU’s RECs will be retired by the GU’s QRE

# *connected.....to the sun ("CTS"): SDG&E Process for Retiring Program RECs*



- Utility Green Pricing Program WREGIS Sub-Account Category
  - This category is completely separate and apart from the that which is used to generate the report submitted to the CEC for RPS compliance verification
  - The RECs from this category cannot be comingled with those from another category
- When reporting RECs for RPS compliance, SDG&E will not include any CTS RECs
  - SDG&E will include a statement in its annual RPS Compliance Report stating that the CTS RECs were not used for RPS Compliance, this statement will include the annual total of CTS RECs which have been retired for the prior year
  - SDG&E will post the total amount of CTS RECs retired for the prior year on its website at the time of the RPS Compliance Report filing
  - SDG&E will also generate a report in WREGIS showing the amount of RECs retired for the prior year in the Utility Pricing Program CTS sub-account which it will also post on its website at the time of the RPS Compliance Report filing

*connected.....to the sun:  
Development and Administrative Costs*



- SDG&E is not requesting additional funding for program
- Program development, outreach and operations designed to keep costs low while meeting program principles
  - Development leverages existing billing system infrastructures and operations use low cost outreach, web-based services and electronic communications
- Majority of costs occur in first year
  - Estimated Development Costs : \$800-850k
  - Estimated First Year Operational Costs: ~\$500k
- 20 Year PV Revenue Requirement: ~\$3.5M Escalated and Fully Loaded

Note: Costs based on preliminary program design filed in application. Subject to change.

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Competitive Market Implications*



Additional potential competitive issues for discussion:

- Affiliate Participation
- Direct Access
- Other considerations?

# *connected.....to the sun: Measuring success*



Based on its experience and continued customer interest, SDG&E plans to expand the programs annually through an Advice Letter filing to include additional solar facilities and new program offerings.

This initial pilot will test:

- Customer interest
- Processes and online enrollment
- Customer communications
- Pricing methodology to maintain customer indifference

Both Programs	SunRate	Share the Sun
<ul style="list-style-type: none"><li>• No. of customers subscribed</li><li>• Subscription type and rationale</li><li>• Attrition rates</li><li>• Review leveling of above market costs</li><li>• Marketing/outreach strategies</li><li>• RPS impacts (if any)</li><li>• Review pricing methodology to ensure nonparticipant indifference</li></ul>	<ul style="list-style-type: none"><li>• % of customers who utilize on-line enrollment</li><li>• Brief web-based surveys to measure a customer's on-line experience</li></ul>	<ul style="list-style-type: none"><li>• No. of executed contracts</li><li>• Subscribed capacity</li><li>• Developer feedback</li></ul>

*connected.....to the sun:  
Day 3 Summary*



- Questions
- Areas of Consensus
- Topics for Further Discussion

Thank you for your participation!