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Planning for tomorrow.™*

MAY 2005

ENERGY NOTES

BUILDING A RELIABLE ENERGY FUTURE

New power plants are a key element in SDG&E's plans to meet the energy reliability needs of the region in the months and years to come.

"We're taking several steps for a more reliable energy future for the region, including new, large power plants right here in the region," says Ed Guiles, SDG&E chairman and chief executive officer. "As outlined in our long-term resource plan, we're also increasing our renewable energy supplies, upgrading our transmission system to move more electricity, and helping customers use energy efficiently and shift some consumption to off-peak times."

New power plants coming online within SDG&E's 4,100-square-mile service area include:

- A state-of-the-art plant in Escondido that's scheduled for completion in 2006. This plant will produce enough electricity for 550,000 homes. It's expected to be 45% more efficient than existing fossil-fuel plants and is the county's first new power plant in decades.

(Continued inside – see "Building a reliable energy future...")



Ed Guiles, SDG&E chairman and chief executive officer, visits the construction site of the power plant project in Escondido. When completed in 2006, it will produce enough electricity to supply 550,000 homes.

A look at summer ENERGY BILLS

As spring turns to summer, you may notice changes in your energy bill. Here are three factors to be aware of:

- 1. Electric rates are seasonal.** In 2001, the California Public Utilities Commission (CPUC) set electric rates slightly higher from May 1 through Sept. 30 than during other months. The goal is to encourage conservation and help prevent blackouts when warmer weather prompts increased use of air-conditioning, refrigeration and pool equipment.
- 2. Baseline allowances switch to summer levels.** Every year, summer baseline allowances for natural gas and electricity apply from May 1 through Oct. 31. These daily allowances provide some energy for basic needs at the lowest, or baseline, rates. The CPUC set baseline allowances and rates for energy distribution only, not the energy itself.
- 3. Rate tiers go up as use rises.** To encourage year-round conservation, the CPUC linked progressively higher electric rates to increments of electricity use over the baseline allowance. You'll find these electric rate tiers detailed on every SDG&E bill.

For more information about understanding your energy bill, visit www.sdge.com.



Every year, you may notice seasonal changes in your energy bill. You can find information about these variations on the bill itself or by visiting www.sdge.com.

HIGH-TECH METERS proposed to help stretch power supplies

SDG&E recently filed a proposal with the California Public Utilities Commission to install technologically advanced electric meters in all customers' homes and businesses from 2005 to 2009. The new meters would provide accurate automated meter readings and show hourly energy use to customers who request that information.

SDG&E expects the advanced meters would ultimately reduce the likelihood of electricity shortages and potentially defer some costs, provided customers also are given new electric rate options that remain to be proposed. Most electric rates currently do not change during the day, even though electricity can cost far more on the hottest afternoons. During these "peak hours" – when consumer demand for electricity peaks and strains generating resources – electricity costs far more than it does when demand is lower and power is plentiful.

SDG&E already has advanced meters at about 7,200 businesses. These meters enable customers to participate in programs to cut costs by shifting some power use to off-peak periods. In addition, a 2003-2004 statewide pilot program to test similar meters and dynamic electric rates showed that more than 2,500 residential and commercial customers used an average of 14% less electricity during critical peak periods.

SDG&E estimates the expense of the overall system – approximately \$420 million in today's dollars – would be outweighed by approximately \$660 million in customer benefits as described above.

Improve your home and get rebates of \$10 to \$300

Keep cool this summer and get cash back with SDG&E's 2005 Home Energy-Efficiency Rebate Program. Your energy-saving home improvements may qualify for rebates of \$10 to \$300 (see examples below). These upgrades also can save you money on energy costs for years to come.

SDG&E offers these rebates on a first-come, first-served basis for qualifying measures purchased and installed in 2005, while funds last. Be sure to verify product requirements first by contacting SDG&E's Energy Information Center at 1-800-644-6133 Monday through Friday, from 8 a.m. to 5 p.m. Rebate applications also are available online anytime in the "Residential" section of www.sdge.com.



Programmable thermostats are among the home improvement measures that may qualify for SDG&E energy-efficiency rebates.

EXAMPLES OF 2005 REBATES FOR HOME ENERGY-EFFICIENCY MEASURES*

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|---|--------------------|
| ENERGY STAR® labeled programmable thermostat | \$10/unit |
| ENERGY STAR® qualified room air conditioner | \$50/unit |
| Whole-house fan (home must have existing central air conditioning to qualify) | \$100/unit |
| Pool pump and motor replacement (single-speed) | \$125/unit |
| Pool pump and motor replacement (two-speed with automatic control system) | \$300/unit |
| Attic or wall insulation | \$0.15/square foot |

*Rebates apply only to new equipment that meets eligibility requirements and that is installed in SDG&E customers' existing single-family detached homes, attached homes (up to four-plex), condominiums and mobile homes. Funding is limited and subject to change. Be sure to verify rebate qualifications with SDG&E before buying equipment.

Building a reliable energy future... *(continued from cover)*

- A smaller plant capable of providing electricity for 45,000 homes is slated for completion this summer, so it can be tapped during peak periods of electricity use.
- A large plant being built in the Otay Mesa area of the South Bay. SDG&E has contracted to buy power from this plant once it is completed in 2008.

For more information about SDG&E's commitment to providing safe, reliable energy now and in the future, visit www.sdge.com.



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MAYO DE 2005

NOTICIAS DE ENERGÍA

Un vistazo a las **FACTURAS DE ENERGÍA DE VERANO**

A medida que la primavera va dando paso al verano, quizá note algunos cambios en su factura de energía. He aquí tres factores que debe tener presentes:

- 1. Las tarifas eléctricas cambian según la temporada.** En 2001, la Comisión de Servicios Públicos de California (CPUC) estableció tarifas eléctricas ligeramente más elevadas del 1 de mayo al 30 de septiembre que durante otros meses. El objetivo es fomentar la conservación y ayudar a evitar los apagones cuando la temporada de calor invita a usar más el aire acondicionado, la refrigeración y el equipo para piscinas.
- 2. Las asignaciones iniciales se ajustan a los niveles de verano.** Cada año, las asignaciones iniciales de verano de gas natural y electricidad empiezan a partir del 1 de mayo y terminan el 31 de octubre. Estas asignaciones diarias proveen parte de la energía para cubrir sus necesidades básicas a las tarifas más bajas o iniciales. La CPUC estableció asignaciones y tarifas iniciales únicamente para la distribución de energía y no para la energía misma.
- 3. Las tarifas escalonadas se incrementan conforme aumenta el consumo.** A fin de fomentar la conservación durante todo el

año, la CPUC estableció tarifas de electricidad progresivamente más elevadas conforme a los incrementos en el consumo de electricidad por arriba de la asignación inicial. En todas las facturas de SDG&E se detallan estas tarifas escalonadas de electricidad.

Si desea obtener mayor información acerca de cómo comprender su factura de energía, visite www.sdge.com.

Realice mejoras en su hogar y obtenga reembolsos de **\$10 a \$300**

Manténgase fresco este verano y obtenga reembolsos en efectivo con el programa *2005 Home Energy-Efficiency Rebate Program* de SDG&E.

Las mejoras para ahorrar energía que realice en su hogar pueden reunir los requisitos para obtener reembolsos de \$10 a \$300 (ver los ejemplos más abajo). Estas mejoras pueden también ahorrarle dinero en los costos de energía durante los años venideros.

SDG&E atenderá las solicitudes de reembolso en estricto orden de recepción para las medidas aprobadas que se adquieran e instalen en 2005, hasta agotarse los fondos.

Asegúrese de primero verificar con SDG&E los requisitos de los productos llamando al Centro de Información sobre Energía de SDG&E al **1-800-644-6133** de lunes a viernes de 8 a.m. a 5 p.m. También puede obtener solicitudes para reembolsos en línea en cualquier momento en www.sdge.com.

Los termostatos programables se encuentran entre las medidas para el mejoramiento del hogar que quizá reúnan los requisitos para reembolsos de eficiencia energética de SDG&E.

EJEMPLOS DE REEMBOLSOS 2005 PARA MEDIDAS DE EFICIENCIA ENERGÉTICA EN EL HOGAR*

| | |
|---|---------------------|
| Termostato programable con etiqueta ENERGY STAR® | \$10/unidad |
| Aire acondicionado para habitación ENERGY STAR® | \$50/unidad |
| Ventilador para toda la casa (la casa deberá contar con aire acondicionado central existente para cumplir con los requisitos) | \$100/unidad |
| Reemplazo de bomba y motor para piscina (de una velocidad) | \$125/unidad |
| Reemplazo de bomba y motor para piscina (de dos velocidades con sistema de control automático) | \$300/unidad |
| Aislamiento de ático o paredes | \$0.15/pie cuadrado |

*Los reembolsos aplican únicamente a equipo nuevo que reúna los requisitos y que esté instalado en viviendas unifamiliares no adosadas, adosadas (hasta cuatro unidades), condominios y casas móviles existentes de clientes de SDG&E. Los fondos son limitados y están sujetos a cambios. Asegúrese de verificar los requisitos de reembolso con SDG&E antes de comprar equipo.

