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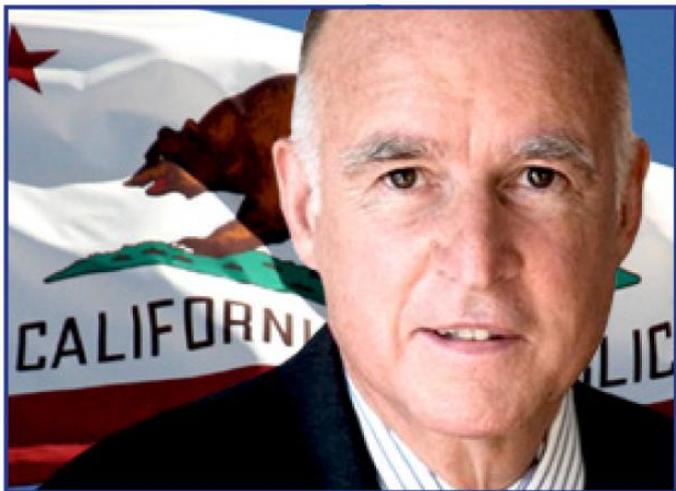
Building A Strong and Sustainable Solar Future for San Diego

November 2011

SDG&E's Commitment to Solar

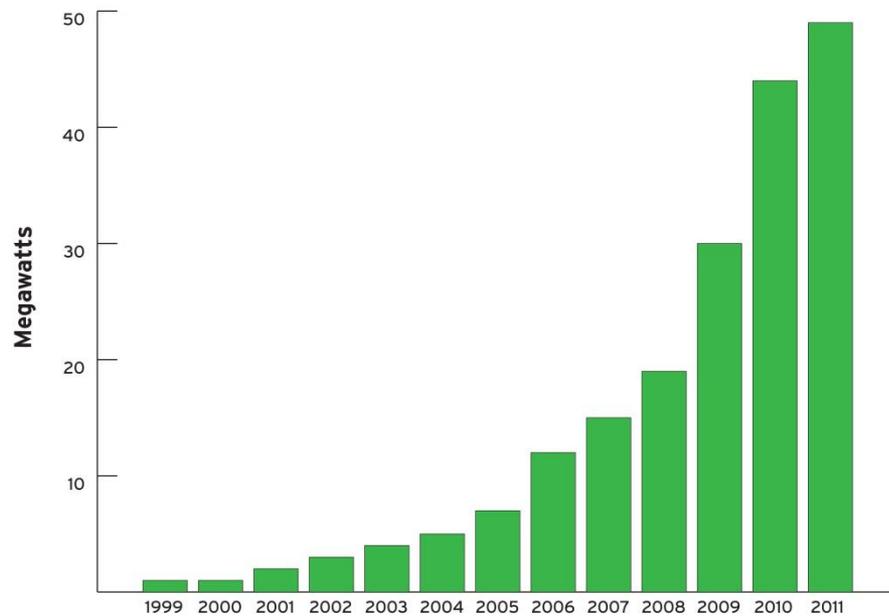


Good News About Solar



Governor Brown's Goal of 12,000 Megawatts

(960 Megawatts in SDG&E's Service Territory)



Rooftop Solar Benefits



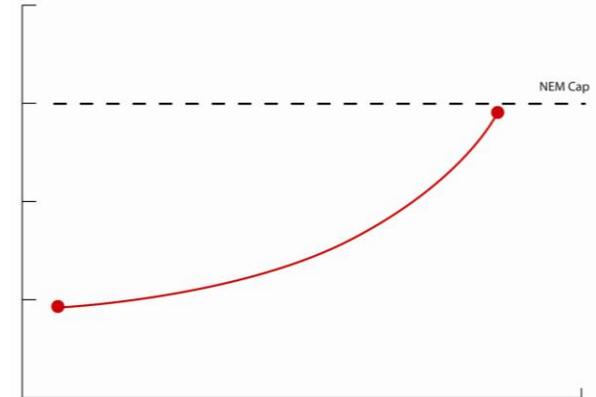
Challenges to a Solar Future



Limited Access



Unsustainable Rate Structure



NEM Cap



Worldwide Issue

THE GLOBE AND MAIL

Solar power boom hits a wall

RICHARD BLACKWELL
Sunday, Nov. 06, 2011

Three years ago, with much fanfare, Canadian upstart Arise Technologies Corp. (APV:TO.01) opened the doors of a brand-new solar cell manufacturing plant in Bischofswerda, Germany. With financial support from the German government, the operation was to be a foothold for the Canadian company, giving it access to the lucrative European solar energy market. Megawatts have been built in Britain since the program started three times more than forecast, according to DI. Since then, the average cost for an array of solar panels has fallen by at least 30 percent, it said.

Last month, Arise shut down the facility, unable to get sufficient financing to expand and upgrade in order to make high-efficiency cells. Arise's German arm is in insolvency proceedings, which could see its assets disposed of.

Arise, like other Canadian companies that have fallen victim to falling prices that have resulted

capacity, intense competition, and weak markets. While the worldwide market for solar products has grown by an average of 30 per cent a year over the past two decades, it is now in a slump. The solar capacity following a

The Washington Post

Cost of solar energy may go up in Virginia

BY PATRICIA SULLIVAN
November 3, 2011

Residents and small businesses who have installed relatively large solar arrays may find that, instead of saving money by getting off the grid, they may face a new \$60 per month charge for not using power from Dominion Virginia Power's coal-fired plants.

Dominion took its request for a "stand-by" fee to the State Corporation Commission in Richmond today. In south Alexandria, on a sunny but cold morning, local clean energy business owners and activists with the Virginia Sierra Club staged a protest.

"Dominion's charge would be so high it would make it uneconomic to install these larger systems, essentially destroying the market for them," said Ivy Main, renewable energy chair of the Virginia Sierra Club.

The charge, which the Virginia General Assembly explicitly allowed in legislation passed last year, would apply to people who generate between 10 and 20 kilowatt hours of electricity.

Those consumers see savings on their monthly bill from "net metering," which allows their surplus power to go back into the grid, generating credits that the consumer can use to offset the cost of electricity when solar panels are not supplying power.

"The standby charge is a matter of fairness," said David Botkins, a spokesman for Dominion Virginia Power. "The sun doesn't shine at night; the wind doesn't always blow. It would be unfair for customers who don't have these systems to have to pay the infrastructure costs for those who do. The charge lets Dominion recover costs for serving the customers whose alternative energy system does not provide the power they need."

Dominion said that without the standby charge, a resident with a 20-kilowatt system would be charged only about \$8 per month, although the fixed infrastructure cost is the same as for any other customer. In testimony before the State Corporation Commission, a Dominion executive

Bloomberg Businessweek

U.K. Proposes 55% Cut in Subsidy Rate Paid for Solar Energy

Tuesday November 8, 2011

BY MARC ROCA

Oct. 31 (Bloomberg) -- The U.K. government proposed a reduction of as much as 55 percent for the price paid for solar power, part of an effort to keep a lid on electricity bills and reflect lower costs.

Residential projects led by Suntech Power Holdings Co. Ltd. Britain joins France, Germany and Spain in scaling back incentives for the industry. Companies including Sharp Corp. said the decision undermines their investments.

'Unreasonable'

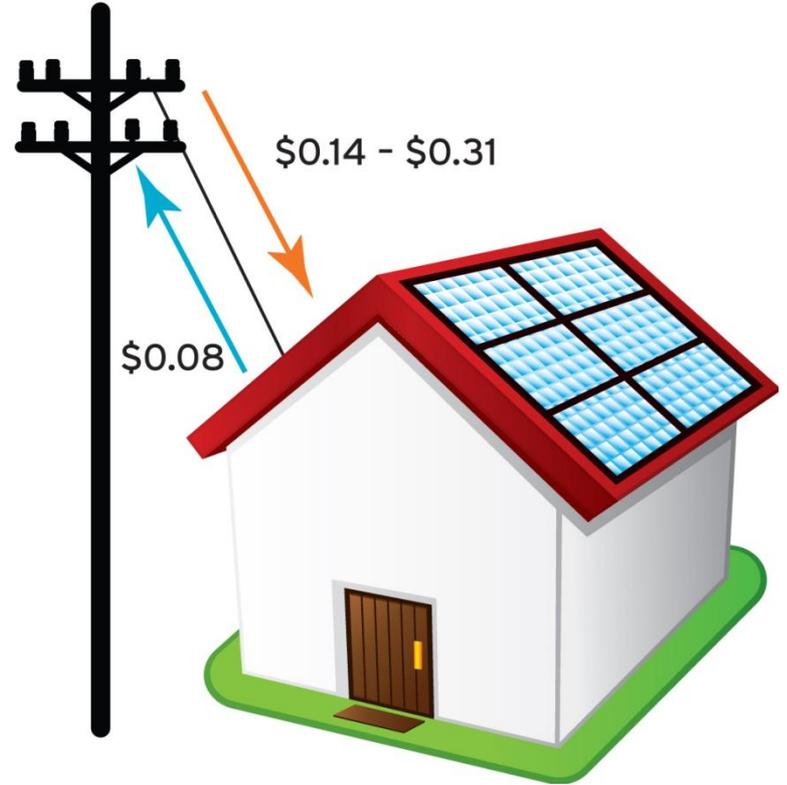
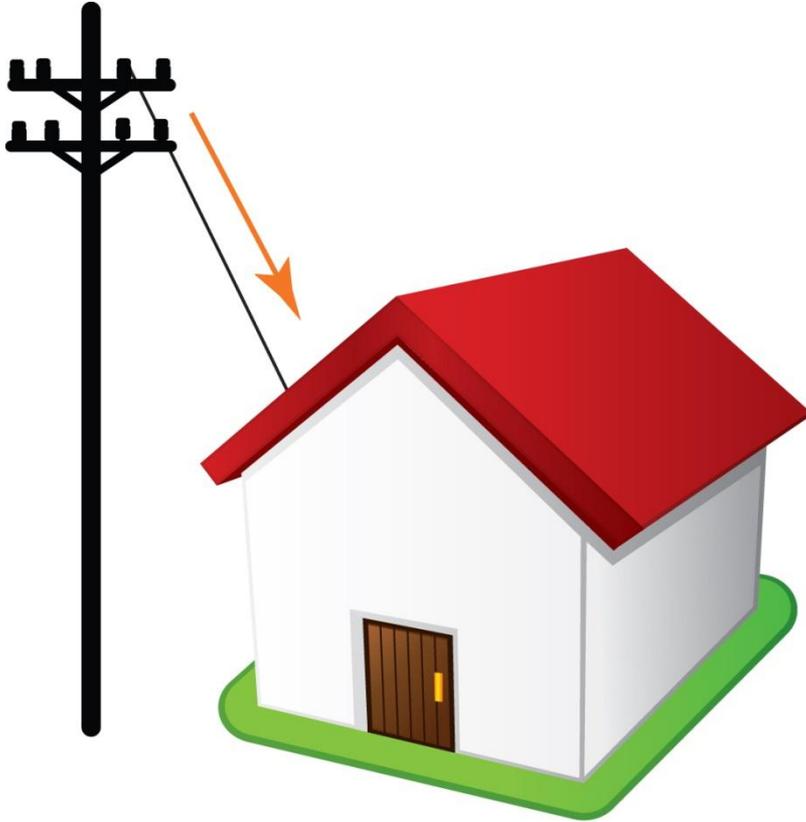
"It's unreasonable," said Andrew Lee, head of Sharp Corp.'s U.K. solar unit, which has a module-manufacturing plant in Rexham. "The government is asking an industry with 25,000 people to change their plans and strategy in just over six weeks. The shock to the industry is the date of the cuts more than the level of the cuts."

The government said urgent action was justified after a recent surge in households installing solar threatened to break the 867 million-pound (\$1.4 billion) budget for the four tax years through 2015. This limit, which is fixed in the budget even if costs are paid by consumers, allows for 832 megawatts.

More than 100,000 solar installations with about 400

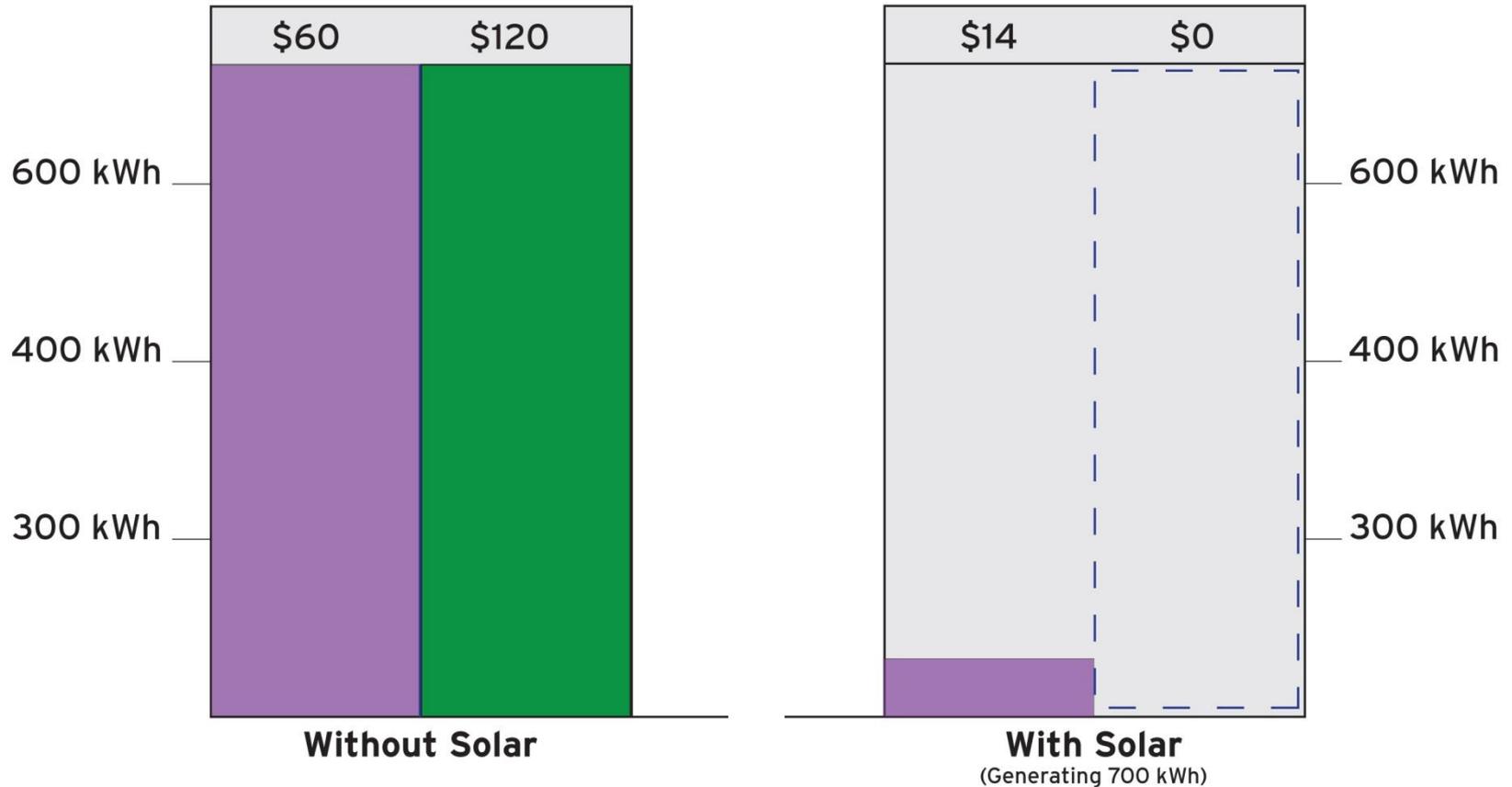


An Electric Grid That Serves



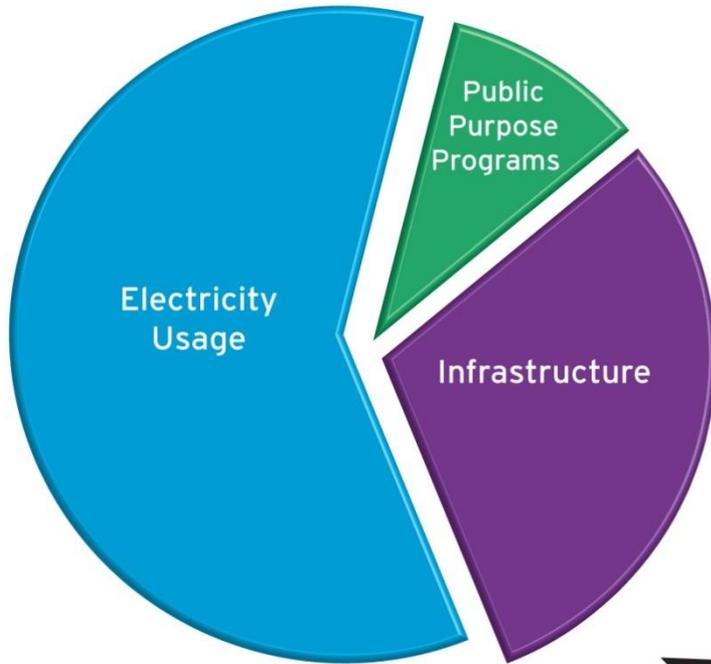
How the System Works Today

800 kWh Electricity User
Illustrative Purposes Only

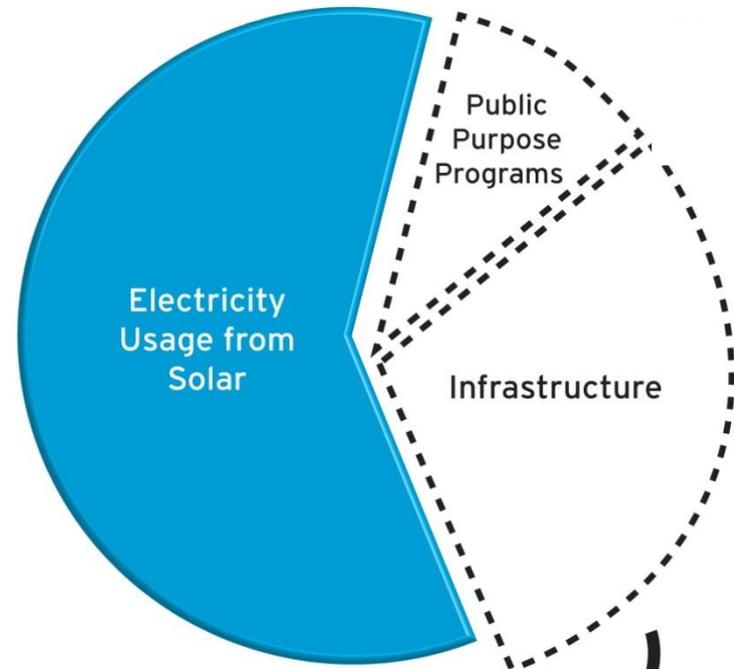


Unsustainable Cost Shift

Without Solar



With Solar

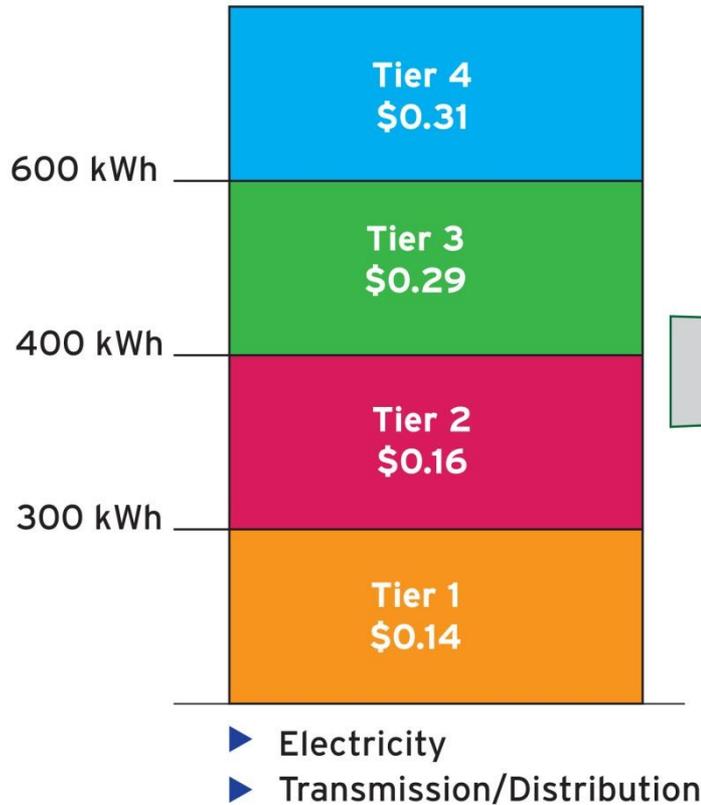


■ ■ ■ Free to Solar Customers

~\$80 million
Cost shift



SDG&E's Proposal



1.



Energy

2.



Network Use

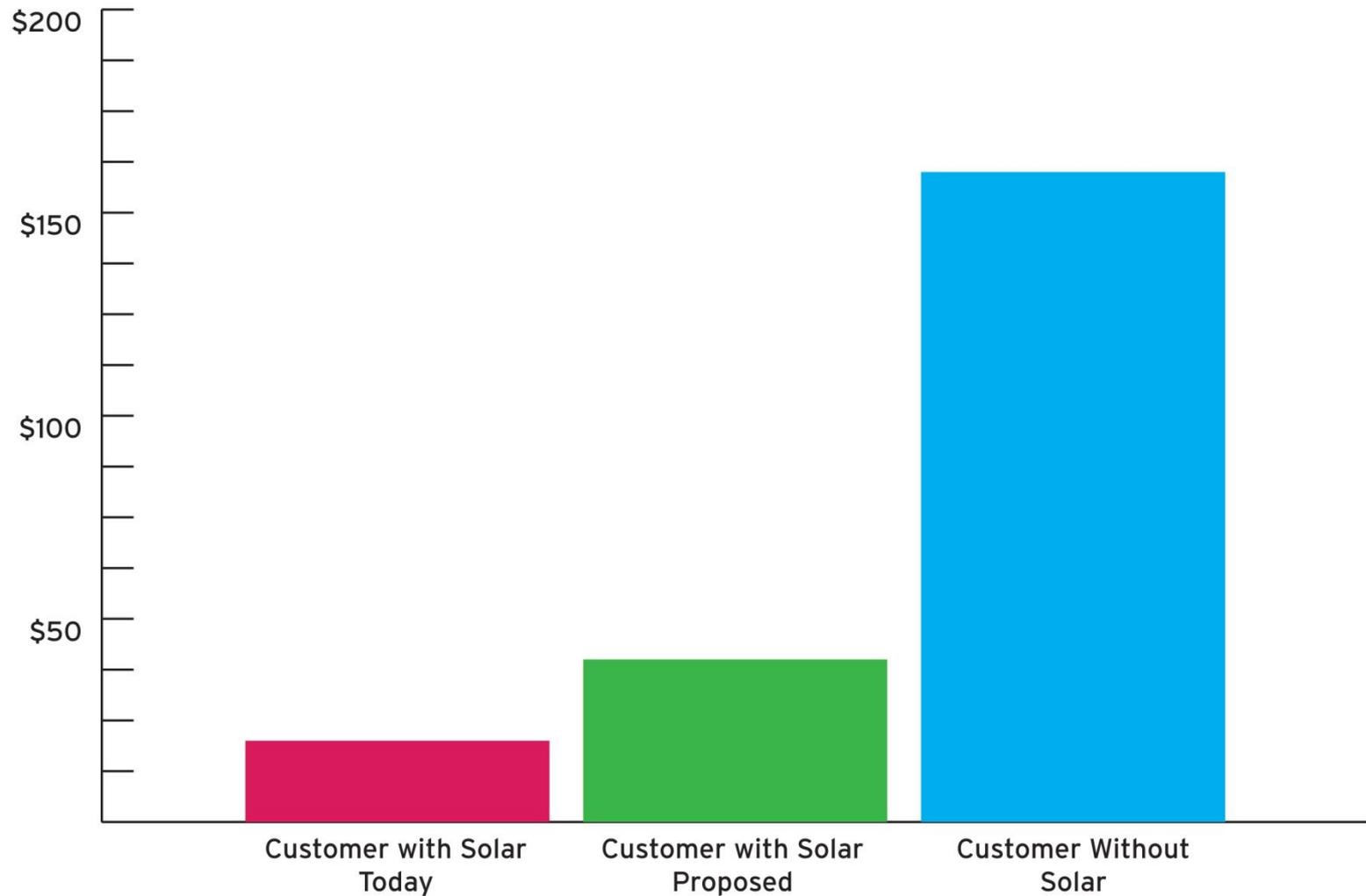
3.



Basic Service



What This Means for Customers with Solar



Collaborative Discussion

- Promote a dialogue to identify potential solutions
- Launch “Share the Sun” to expand access to solar
- Develop a feed-in tariff
- Increase the NEM cap beyond 5 percent
- Explore mechanism to ensure installed projects’ economics

