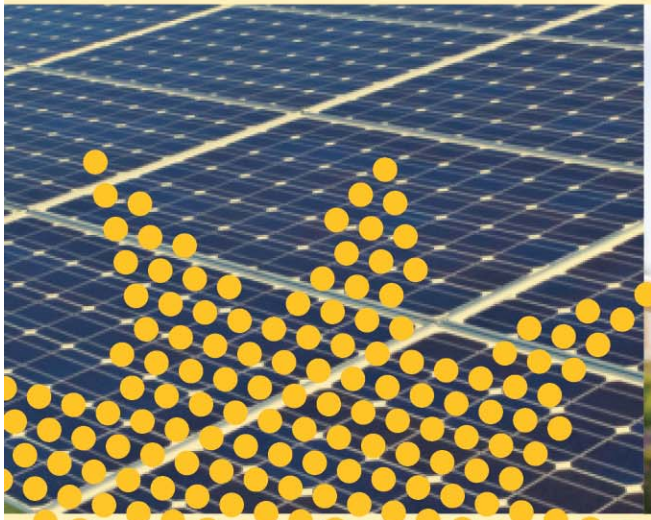
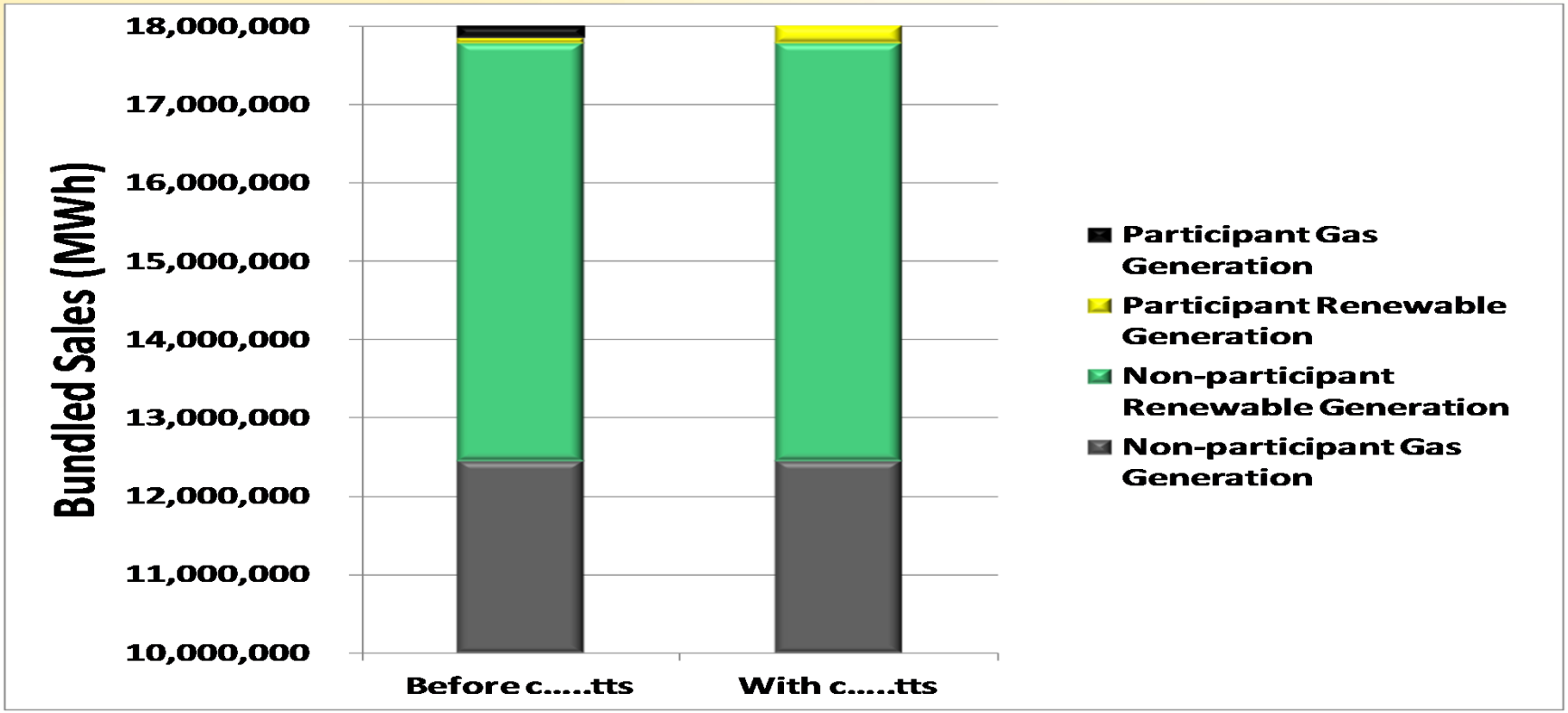
connected ••••• to the sun

Auxiliary Slides

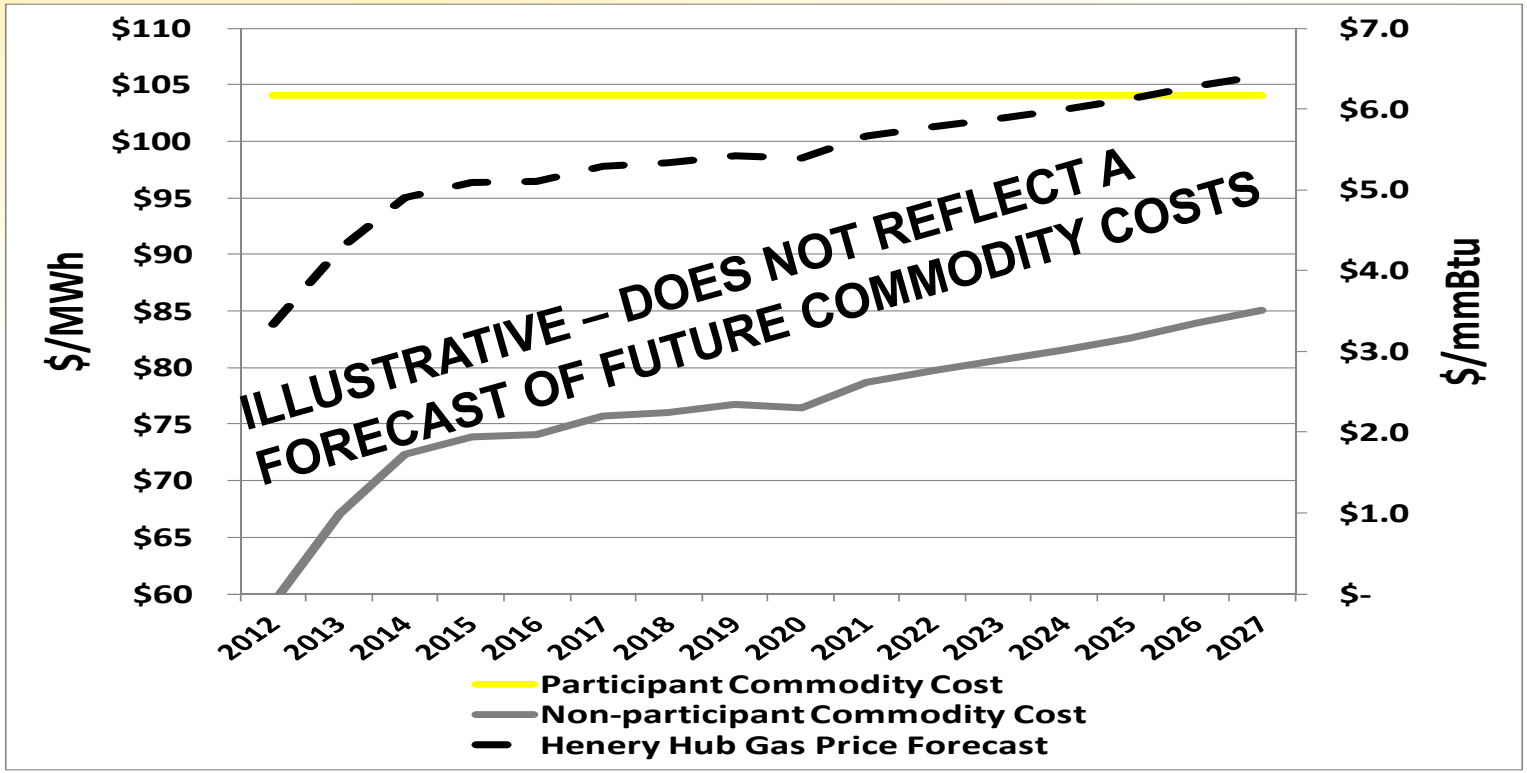


Illustrative Generation Mix of Participants and Non-participants



- c…..tts participants replace their existing renewable (RPS) and non-renewable generation with solar, eliminating a participants exposure to increases in non-renewable generation costs
- Non-participants energy mix remains the same despite an increase in the overall renewable energy of SDG&E's portfolio

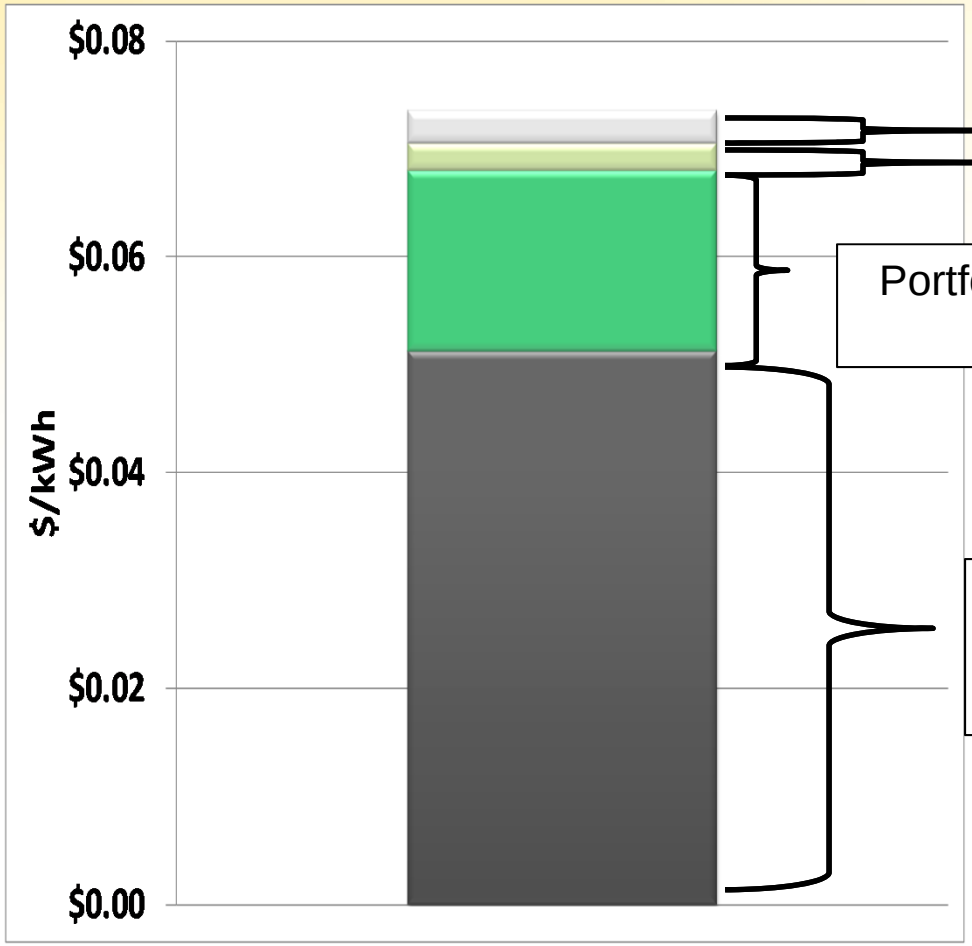
Illustrative Commodity Costs for c…..tts Participants and Non-participants



- As gas prices rise so do commodity costs for non-participants as they have the same level of non-renewables that they did prior to c…..tts
- c…..tts participants are not exposed to increases in gas price as their commodity cost has been fixed

Non-participant commodity costs are for illustrative purposes
Non-renewable commodity costs were simply escalated at Henry Hub forecast

Bill Credit is Based on Avoided Cost Illustrative Breakdown



Energy

Capacity

Solar energy value relative to existing portfolios generation mix

Portfolio Avg. Renewable Energy Costs*

Portfolio Avg. Non-renewable energy Costs*

Embedded capacity costs include both short run and long run capacity costs

**Ball park of renewable and non-renewable split of portfolio average energy costs is estimated by backing out renewables at $120/MWh*

connected•••••to the sun: Solar Value Adjustment - Capturing a Solar System's Generation Profile (Energy Value)

- Solar's energy value is captured through a relative look between the ratio of on-peak and off-peak energy of the solar facility and the balance of resources in SDG&E's portfolio

Energy Value of Program Resource Year: 2011		**SDG&E Balance of Portfolio**	**SDG&E Program Resource***	
SP15 SDG&E: October 1 through October 31	Avg. On-peak Price	$40.00		$/MWh
	Avg. Off-peak Price	$25.00		$/MWh
Provided by SDG&E	On-peak Weight	65%	85%	
	Off-peak Weight	35%	15%	
	Weighted Price	**$34.75**	**$37.75**	**$/MWh**
	Incremental Adjustment to PCIA		**$3.00**	**$/MWh**

** Assumes a solar resource with a with a generation profile that delivers 86% of it's energy during peak hours*

connected•••••to the sun: Solar Value Adjustment - Capturing a Solar System's Generation Profile (Capacity Value)

- Solar's capacity value is captured through a relative look between the ratio of MW/MWh of the program resource and the balance of resources in SDG&E's portfolio

Capacity Value of Program Resource

	Balance of Portfolio	Program Resource*	Adjustment	
Portfolio Generation (GWh)	18,000,000	21,900	NA	**MWh**
Portfolio (MW)	4,000	6	NA	**MWh**
Embedded Capacity	0.00022	0.00027	0.00005	**MWh**
Capacity Cost	$ 50,170	$ 50,170	$ 50,170	**$/MWh-yr**
Capacity Value	$ 11.15	$ 13.75	$ 2.60	**$/MWh**
		Incremental Adjustment to PCIA	**$2.60**	**$/MWh**

** Assumes a solar resource with a 25% capacity factor and resource adequacy as a percentage of nameplate of 60%*