

connected ●●●● *to the sun*

Share the SunSM and SunRateSM Workshop #2

Tuesday, January 29, 2013 – 9:30 am



*connected.....to the sun:
Day 2 Agenda*

- Marketing and Customer Outreach
- Web Tools and Enrollment
- Low-income Customer Participation
- Consumer Protection

*connected.....to the sun:
Combined Customer Outreach Overview*



- SDG&E will make customers aware of both programs using various forms of communications
 - Media
 - Electronic communications
 - SDG&E website & coordinate with other SDG&E services
- Outreach efforts include working with local communities, environmental groups and sponsors to reach interested customers through their constituencies
- Leverage SDG&E's extensive low income assistance outreach channels to make customers aware of the programs
- Communications initially expected to be in English and Spanish – can be expanded as warranted
- Expect pilot to be fully subscribed using these tactics

connected.....to the sun: Delivering Combined Program Information



- Interested customers directed to SDG&E's website
- Best vehicle to learn about the programs
- Frequently Asked Questions are an effective way to aid in education of programs
- Proven approach used by other successful community solar utility programs
- Illustrative example using SMUD's website

SolarShares frequently asked questions

Why SolarShares®?

Owning your own solar electricity system may be too costly or impractical for your situation. And for renters and many condo owners, it's not even an option. But with SolarShares®, everyone can get electricity from the sun without the responsibilities or costs of ownership. Members can participate at levels beginning at \$10.75 per month for a 0.5kW system (typically, those with smaller monthly bills). After your monthly fee, the amount of power generated by your share shows as a credit on your bill – expected to average about \$5 a month. And that offsets the amount you pay for electricity you normally receive. Use the [SolarShares Estimator](#) to see the options that work best for you.

How does SolarShares affect my bill?

You pay a flat monthly fee to subscribe to SolarShares. The fee is based upon your historical energy use and the share size you select.

You will receive energy credits to your bill for the amount of solar power your SolarShare generates. Both the flat monthly fee and the energy credits from the solar power will be combined on your SMUD bill.

I am a renter, live in a condo, or live in a multi-family building. Can I join SolarShares?

Yes. Since the solar panels are located on a local "solar farm," you don't have to own your home to participate. And if you do own your own home, you're still eligible to join. That's great for homeowners whose homes are shaded by trees or whose rooftops are not suitable to install a solar electric system.

What happens if I move?

If you stay within SMUD territory, you can take SolarShares with you.

Sunlight is free. Why should I have to pay for solar energy?

Equipment used to convert sunlight into electricity is expensive. SolarShares allows you use solar energy for a reasonable monthly fee and avoid large upfront costs for a rooftop system.



SolarShares®: Solar for Everyone!

Clean, environmentally-friendly solar energy should be available everyone, but putting a solar system on your roof is not always SMUD's SolarShares® gives everyone the opportunity to benefit power whether you rent or own your home. Plus SolarShares is the solar farm located in our service area, providing local environ

Here's how it works

When you join SolarShares, a portion of the solar power produced by the solar farm will be credited to your monthly SMUD bill. You get the benefit of solar energy without having to install solar panels on your home! Your bill will be offset by a credit for the solar electricity you get each month. The amount you would otherwise pay for non-solar power – after the program participation is deducted. Participation costs generally run between \$5 and \$65 a month, depending on your typical energy use and the size SolarShare that you choose.

Use the [SolarShares Estimator](#) to see what options work best for you.

Getting started

Enroll in SolarShares by [logging in](#) to your account or by calling **1-888-742-SMUD (7683)**.

See [frequently asked questions](#) about SolarShares.

Courtesy of SMUD

SunRate: On-line Tools Will Aid Customers

- Website will provide interactive on-line tools
- Help customers understand program, tailor subscription to meet their needs and understand financial commitment
 - Determine preferred percentage level
 - Understand SDG&E billing impacts
 - Environmental impacts
- On-line enrollment application

SMUD - Solar Shares

SolarShares

SolarShares Estimator **step 1 2**

To estimate your SolarShares cost, please enter one of the following :

Estimated/actual last bill amount :\$

Estimated/actual last kWh :

Estimated/actual annual kWh :

SMUD - Solar Shares

SolarShares

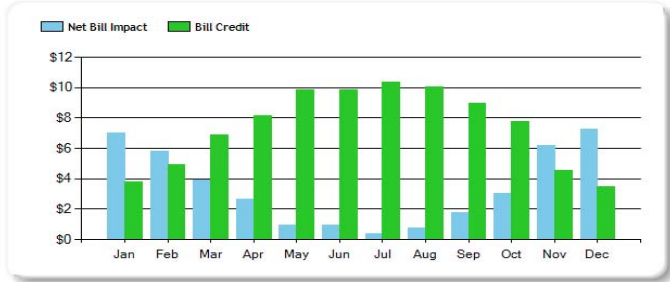
SolarShares Estimator **step 1 2**

Most recent SMUD bill: [enter different values](#)
Estimated annual energy use: **2042 kWh**

Based on your estimated annual energy use and how much of your energy use you would like to come from solar, you can subscribe to either a half kW or 1 kW system. To enroll, [log on to My Account](#) or call 1-888-742-SMUD(7683). Not yet registered on My Account? [Sign up now.](#)

0.5 kW System
This system would replace approximately 43% of your electricity use with solar. With a \$10.75 monthly program fee and an energy credit of \$7.37 from the solar generation, this option would add an average of about \$3.38 to your monthly bill.

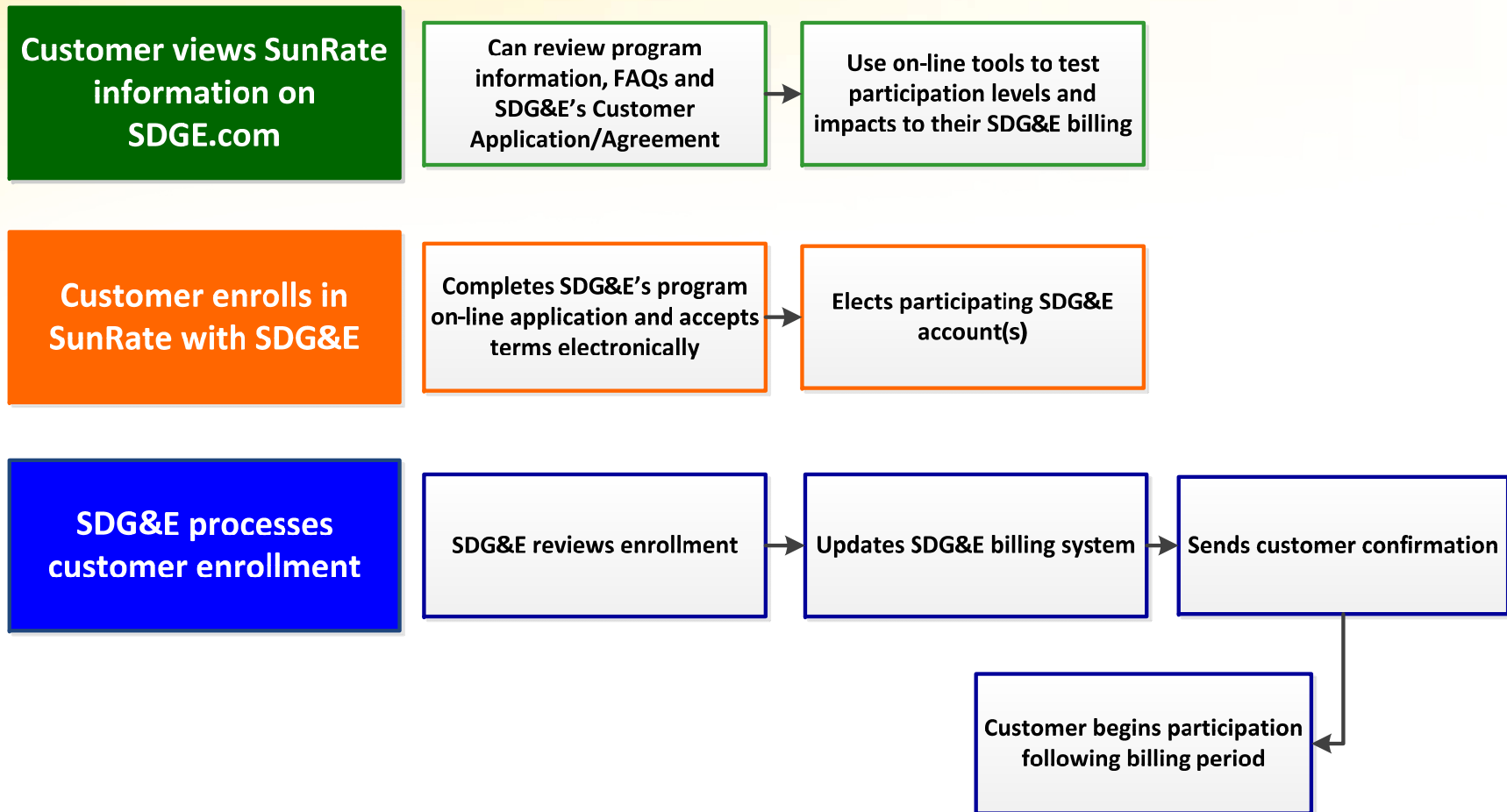
1 kW System
This system would replace approximately 85% of your electricity use with solar. With a \$21.50 monthly program fee and an energy credit of \$13.74 from the solar generation, this option would add an average of about \$7.76 to your monthly bill.



Month	Net Bill Impact (\$)	Bill Credit (\$)
Jan	\$7.00	\$3.50
Feb	\$5.50	\$5.00
Mar	\$4.00	\$6.50
Apr	\$2.50	\$8.00
May	\$1.00	\$9.50
Jun	\$0.50	\$10.00
Jul	\$0.50	\$10.50
Aug	\$1.00	\$10.00
Sep	\$2.00	\$8.50
Oct	\$3.50	\$7.00
Nov	\$5.00	\$5.50
Dec	\$6.50	\$4.00

SMUD's on-line tools shown for illustrative purposes only.

SunRate: 3 Step Enrollment Process



SunRate: Sample Bill Illustration



SDGE ACCOUNT NUMBER 1234 567 890 D DATE MAILED Aug 6, 2012 Page 1 of 4
 SERVICE: SDGE CUSTOMER 1-800-411-SDGE (7343) English
 1234 ELECTRIC AVE 1-800-311-SDGE (7343) TTY
 SAN DIEGO, CA 92104 1-877-889-SDGE (7343) TTY
 www.sdge.com

Limited income, special needs or financial setbacks may qualify you for help in paying your SDGE bill. For details, visit sdge.com/assistance.

Special Savings: You may receive up to 30% savings on your bill if you meet certain requirements. For more information, please visit sdge.com/savings or call 1-877-889-SDGE.

Account Summary

Previous Balance	\$29.06
Payment Received	-29.06
Current Charges	43.57
Total Amount Due	\$43.57

Summary of Current Charges

Electric	33
Total Charges This Month	33

Detail of Current Charges

Usage Type	Days	Current Reading	Previous Reading	Difference	Meter Constant	Total kWh
Electric Delivery (Details below)	30	4438	4238	200	1.000	200
DWR Bond Charge						200 kWh x \$0.00513
Summer Electricity Generation						200 kWh x \$0.07709
SunRate Energy Payment						200 kWh x 100% x \$0.062
Total Electric Charges						\$41.07

TAXES & FEES ON ELECTRIC CHARGES

City of San Diego Franchise Fee Differential	39.27 x 5.78%	2.27
Franchise Fees on Electric Energy Supplied by Others	1.79 x 6.88%	.12
State Surcharge Tax	200 kWh x \$.000290	.06
State Regulatory Fee	200 kWh x \$.000240	.05
Total Taxes & Fees on Electric Charges		\$2.50
Total Electric Service		\$43.57
Total Current Charges		\$43.57

Billing Period	Days	Current Reading	Previous Reading	Difference	Meter Constant	Total kWh
07/03/12 - 08/02/12	30	4438	4238	200	1.000	200

ELECTRIC CHARGES		Amount(\$)																				
Electricity Delivery (Details below)	200 kWh																					
<table border="1"> <tr> <th>SUMMER USAGE</th> <th>Baseline</th> <th>100-130% of Baseline</th> <th>131-200% of Baseline</th> <th>More than 200% of Baseline</th> </tr> <tr> <td>kWh used</td> <td>200</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Rate/kWh</td> <td>\$0.06112</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Charge</td> <td>\$12.22</td> <td></td> <td></td> <td></td> </tr> </table>	SUMMER USAGE	Baseline	100-130% of Baseline	131-200% of Baseline	More than 200% of Baseline	kWh used	200				Rate/kWh	\$0.06112				Charge	\$12.22					12.22
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Share the Sun: Solar Providers Role in Marketing the Program



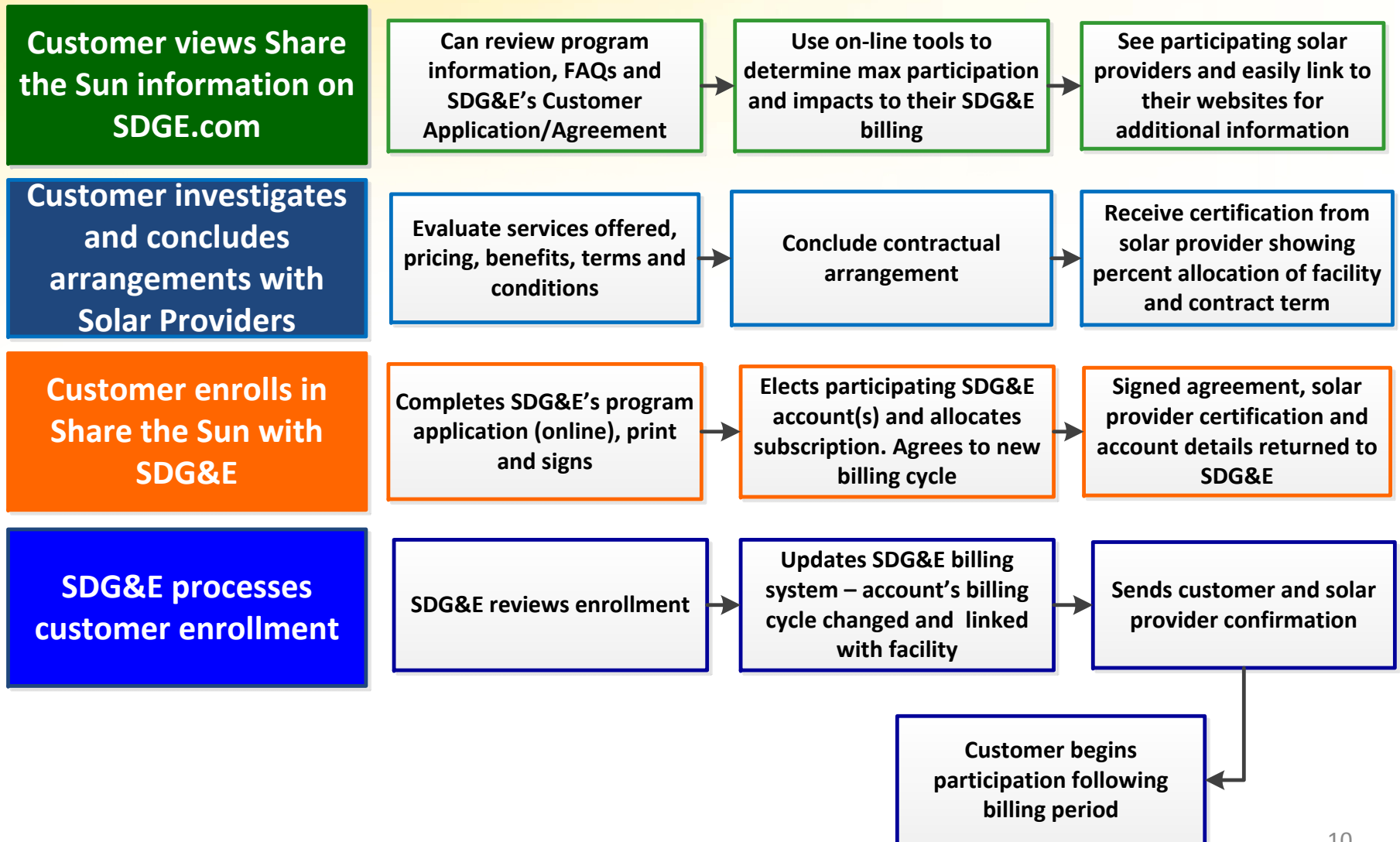
- SDG&E will make customers aware of the program and participating solar providers on SDG&E's website
- Solar provider responsible for marketing their participating solar facility to customers and addressing all customer inquiries related to their participation
- Solar provider marketing rules:
 - Participating solar providers may use SDG&E's name on a limited basis as defined by SDG&E
 - Marketing to customers related to the program will be limited to solar providers that are participating in the program
 - Participating solar providers must have an operational facility before entering into customer agreements

Share the Sun: On-line Tools Discussion



- How best can SDG&E aid in facilitating customer participation and which tools should SDG&E provide to aid solar providers and customers to make informed decision?
- Initial considerations:
 - Program information and frequently asked questions
 - Participating solar providers listed on SDG&E's website with link to solar provider's website
 - SDG&E/customer agreement that can be completed on-line, downloaded and signed by customer
 - Includes customer election of participating SDG&E accounts and allocation of subscription
 - Can be electronically returned to SDG&E with copy of solar provider certification
- Input and other considerations
 - Consideration of on-line tools -- would require customer to input information provided by solar provider

Share the Sun: 4 Step Enrollment Process



Share the Sun: Sample Bill Illustration



SDGE ACCOUNT NUMBER: 1001 234 567 8
SERVICE: SDG&E CUSTOMER
4000 ELECTRIC ST
SAN DIEGO, CA 92110
DATE MAILED: Aug 8, 2012
24-hour Service
1-800-411-SDGE (7343) English
1-800-311-SDGE (7343) Spanish
1-877-888-SDGE (7343) TTY
www.sdge.com

DATE DUE: Aug 27, 2012
AMOUNT DUE: \$45.43

Gas Usage History (Total Therms used)
Electric Usage History (Total kWh used)

Account Summary
Previous Balance: \$51.56
Payment Received: -\$1.56
Current Charges: \$45.43
Total Amount Due: \$45.43

Summary of Current Charges
Gas: Jul 6, 2012 - Aug 6, 2012 14 Therms 13.52
Electric: Jul 6, 2012 - Aug 6, 2012 300 kWh 31.91
Total Charges this Month: \$45.43

Regulatory Notices
Your electric energy charges include charges for the portion of your energy usage provided by the Department of Water Resources (DWR). SDG&E collects charges for power provided by DWR as an agent of DWR. DWR is collecting \$0.01792 for each kWh it provides.

SDGE ACCOUNT NUMBER: 1001 234 567 8
DATE MAILED: Aug 27, 2012
www.sdge.com

Taxes & Fees on Gas Charges
City of San Diego Franchise Fee Differential: 12.26 x 1.03% = 1.26
Public Purpose Program: 14 Therms x \$ 0.79850 = 1.12
State Regulatory Fee: 14 Therms x \$ 0.000500 = .01
Total Taxes & Fees on Gas Charges: \$3.28

Electric Service
Rate: DR-Residential
Usage: 347 kWh
Rate: 10/12 - 9/12
Rate Period: 07/06/12 - 08/06/12
Rate Class: 1.000
Credit: 04C
Billing Period: 07/06/12 - 08/06/12
Days: 31
Previous Reading: 7358
Current Reading: 7358
Difference: 300
Meter Constant: 1.000
Total kWh: 300

Breakdown of Electric Charges
Electricity Delivery: 300 kWh x \$0.06112 = 18.34
DWR Bond Charge: 300 kWh x \$0.00513 = 1.54
Summer Electricity Generation: 300 kWh x \$0.07709 = 23.13
Share the Sun Energy Payment: 200 kWh x \$0.024 = 4.80
Share the Sun Bill Credit: 200 kWh x -\$0.089 = -\$17.80
Total Electric Charges: \$30.01

Taxes & Fees on Electric Charges
City of San Diego Franchise Fee Differential: 28.78 x 5.78% = 1.66
Franchise Fees on Electric Energy Supplied by Others: 1.23 x 6.88% = .08
State Surcharge Tax: 300 kWh x \$0.000290 = .09
State Regulatory Fee: 300 kWh x \$0.000240 = .07
Total Taxes & Fees on Electric Charges: \$1.90

Total Electric Service: \$31.91
Total Current Charges: \$31.91

Billing Period	Days	Current Reading	Previous Reading	Difference	Meter Constant	Total kWh
07/06/12 - 08/06/12	31	7658	7358	300	1.000	300

ELECTRIC CHARGES

	Amount(\$)
Electricity Delivery (Details below)	300 kWh
SUMMER USAGE	
kWh used	300
Rate/kWh	\$0.06112
Charge	\$18.34
	= 18.34

DWR Bond Charge	300 kWh x \$0.00513	1.54
Summer Electricity Generation	300 kWh x \$0.07709	23.13

Share the Sun Energy Payment	200 kWh x \$0.024	4.80
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Share the Sun Bill Credit	200 kWh x -\$0.089	-\$17.80
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Total Electric Charges \$30.01

TAXES & FEES ON ELECTRIC CHARGES

	Amount (\$)	
City of San Diego Franchise Fee Differential	28.78 x 5.78%	1.66
Franchise Fees on Electric Energy Supplied by Others	1.23 x 6.88%	.08
State Surcharge Tax	300 kWh x \$0.000290	.09
State Regulatory Fee	300 kWh x \$0.000240	.07

Total Taxes & Fees on Electric Charges \$1.90

Total Electric Service \$31.91

Total Current Charges \$31.91

*connected.....to the sun:
Reaching Lower Income Customers*



- SDG&E will leverage its Customer Assistance Programs extensive outreach channels to reach lower income customers to make them aware of the program.
 - Outreach process meets special customer needs
 - Make customers aware of program with consideration that program could increase customer's bill
- To limit program cross subsidies, customer's CARE discount will not be applied to any incremental costs of participating in the pilot programs. Participating CARE customers will continue to receive a discount equal to the amount the customer would have paid if not participating in the program.
- SunRate provides access to solar energy without regard to income level, credit rating or home ownership

Share the Sun: Goals for Consumer Protection



- Program success and expansion will require satisfied customers, successful solar providers and fully subscribed participating solar facilities
- Goals:
 - Establish the right balance between consumer protection and an open marketplace for providers
 - Ensure customers can make an informed decision
 - Easily evaluate solar provider proposals
 - Fully informed of financial obligations
 - Fully informed of benefits and risks
 - Ensure solar providers can meet program needs
 - Ability to build and successfully operate renewable facility
 - Ability to serve SDG&E customers

Share the Sun: Customers Making Informed Decisions SDG&E Program Information



- Clearly communicate benefits, risks and requirements in program information and SDG&E/customer agreement
 - At current rates, customer will pay more for solar energy than if they had not participated in program
 - Potential tax implications
 - Possible financial responsibility if terminating long term commitment
 - SDG&E does not recommend any solar provider once they have qualified to participating in program and is not a party to the customer/provider contract
 - SDG&E will enforce terms of the provider PPA consistent with all SDG&E PPAs for the benefit of bundled customers – may conflict with the interests of participating customers
- Inform customers of financial changes to their SDG&E bill
- Develop standard pricing form for solar providers allowing customers to more easily compare proposals
- Make available an informational sheet of considerations when evaluating solar provider offers

Share the Sun: Customers Making Informed Decisions Solar Provider Requirements



- Inform Customers of Basic Provisions
 - Program is not intended to allow customer to profit from participation; the purpose is to allow customer to purchase solar power to cover customer's energy usage
 - In event of solar provider's default, bankruptcy, casualty, or insolvency, customer's participation rights in program and in solar project may be affected
 - What customer's termination rights are and how to execute them
- Customer Financial Sales Materials
 - Providers will be required to use a standard pricing form and fully disclose all customer costs
 - Forecast project generation and bill credit amount based on PPA
 - Financial analysis based on SDG&E's then current customer commodity rates and provider's PPA agreement with SDG&E

Share the Sun: Consumer Protections Solar Provider Qualifications



- Ability to build and operate renewable facility
 - Must first meet FiT requirements
- Ability to successfully interact with customers
 - CPUC best party to qualify Share the Sun solar providers
 - Register as Renewable Retailer & Installer with the CEC
 - Be licensed and bonded with proof of good standing with CA Secretary of State as required for corporate and limited liability entities
 - Properly licensed by CA Contractors' State License Board, and fully experienced and qualified to construct, operate and manage project and all business transactions performed with customers
 - Demonstrate in application that development team and business structure supports customer marketing activities and customer service practices
 - Business model does not violate federal or state securities or tax laws

Share the Sun: Legal Opinion Discussion



- A solar project that offers participation rights to the public may create securities and taxation issues that must be resolved to protect all participants
- SDG&E would like to discuss how best to satisfy this need
- Options for discussion:
 - Provide legal opinion from a law firm on whether business model complies with securities and taxation laws
 - Gives solar providers flexibility to design business model that best meets their needs
 - Upfront costs to secure (which may be able to be shared or reduced in certain circumstances)
 - Discuss with solar providers the possibility of creating a standard business model that does not violate securities and taxation laws. Intended to allow any solar provider to use that model to participate in program, if the solar provider complies strictly with its requirements. Solar provider may not be required to provide a legal opinion in this case
 - Obtain input from solar providers regarding most feasible business model options
 - Look to existing guidance from Securities and Exchange Commission about projects
 - Other Options?

Share the Sun: Consumer Protection Solar Providers - Other Safeguards



- Allow CPUC oversight over unresolved consumer complaints
- Providers not able to enter into customer agreements before facility is operational
- Maintain customer service assistance during normal business hours
- Assignment/transfer of project management obligations or ownership to third party requires SDG&E's consent in accordance with PPA/Program terms
- Must keep certain customer information confidential
- SDG&E has right to audit annually to ensure consistency with program records
- Keep customers informed of operating status (facility production issues or issues of default on material agreement terms with SDG&E)
- **Discussion** – Make whole provision; should solar providers be required to provide a financial safety net to protect the customer from loss, casualty and nonperformance of project?

*Share the Sun:
Consumer Protection
SDG&E - Other Safeguards*



- Notify customers of SDG&E program rate changes and how they affect their costs of participating in the program
- Keep customers apprised of the time remaining on their term commitment
- As a courtesy, SDG&E will make best efforts to:
 - Suggest to customers contacting SDG&E to terminate program service to first check with their solar provider
 - Automatically transfer their program service to their new address when notified of customer move within SDG&E service territory
 - SDG&E will refer all initial customer complaints related to a solar provider back to the solar provider to resolve. If contacted again and depending on the issue, SDG&E may reach out the solar provider to ensure their customer service management is aware of the issue.
- Make customers aware of CPUC consumer complaint process for unresolved solar provider issues

*connected.....to the sun:
Customer Agreement Provisions*



Provision	SunRate	Share the Sun
Agreements Required	1	2
Must be customer of record with SDG&E	Yes	Yes
Term commitment explanation, options, requirements and termination fee responsibility	Yes	Yes
Customer subscription upper limits (customer's energy use)	100%	200%
Customer's acceptance of risks (such as may pay more for energy, SDG&E's enforcement of PPA may conflict with interest of customer)	Yes	Yes
SDG&E program subscriptions can move to new SDG&E account	Yes	Yes
SDG&E's right to modify or terminate program	Yes	Yes
Dispute resolution	Yes	Yes
Customer's ability to sell/transfer subscription (Share the Sun only). Share the Sun dependent on solar provider contract, new customer eligibility and change is coordinated between solar provider and SDG&E	Yes	Yes
SDG&E is not responsible for solar providers actions/performance	---	Yes
Knowledge that subscription's kWh and bill credits dependent upon facility's actual energy output	---	Yes
Tax liability responsibility - consult tax advisor	---	Yes
Authorization to release customer information	---	Yes

connected.....to the sun: Business Need / Rules for Early Termination Fees



- Maintain low administrative costs
- Maintain nonparticipant indifference
- Hardship cases handled on a case by case basis
- Costs contained within the program

Need	Explanation	Customer Subject to Termination Fee	
		Share the Sun	SunRate
For convenience	Customer may choose to un-enroll at any time for any reason	Yes*	Yes
Terminating SDG&E commodity service	Customer moving outside territory or no longer being served commodity by SDG&E	Yes*	Yes
For cause	Customer action not in compliance with agreement – such as attempts to sell or transfer subscription in a manner that violates SDG&E program rules or customer agreement	Yes*	Yes
Termination of Solar Provider	Solar Provider agreement terminated with cause (PPA or Program agreement). Solar Provider responsible for termination fees.	No	N/A
Termination of Program	SDG&E terminates program or CPUC requires termination of program	No	No

* Termination fee not applicable if solar provider arranges for subscription to be reassigned to another eligible customer accepting terms of program. Consider if more effective to have solar provider responsible for termination fees.

Share the Sun: A robust market for developers



SDG&E is committed to an inclusive and competitive marketplace, with fairness among all potential participants. To that end, SDG&E will:

- Fully comply with its CPUC-authorized Affiliate Transaction Rules and Affiliate Transactions Compliance Plan
- Ensure transparency through its solicitations
- Share information on an equal basis
- Not disclose participants' non-public information

*connected.....to the sun:
Day 2 Summary and Tomorrow's Agenda*



- Questions
- Areas of Consensus
- Topics for Further Discussion
- Day 3 Agenda

Thank you for your participation!