



Energy Savings Bid Program

Customer proposed incentive amounts on nonresidential, energy-saving natural gas and electrical retrofit projects.

Who is eligible:

The program is open to all nonresidential SDG&E® customers and project sponsors. A project may include a single customer or a combination of customers at multiple sites. Sites can have different measures, operating hours and energy use profiles.

Requirements:

A project must meet all of the following requirements:

- Electric projects must save a minimum of 500,000 kilowatt-hours (kWh) annually.
- Natural gas projects must save a minimum of 25,000 therms annually.
- All energy-efficiency measures must be retrofits or replacements of existing, operating equipment.

New construction, cogeneration, and fuel-switching projects are not eligible.

Measures applied for through ESB cannot overlap other incentive programs such as Express Efficiency or Standard Performance Contract. If any of the project measures are included in proposals to any other California energy-efficiency rebate or incentive programs, the project will be ineligible for ESB participation.

Incentive levels:

This flexible program is designed so that the customer/project sponsor proposes the incentive amount for their project. The recommended maximum project incentive is limited to the lesser of:

- 100% of the project's measure cost, or
- An incentive based on the chart below

The ESB has limited incentive funding. If an incentive amount larger than the recommended is being requested, customers/project sponsors should provide reasoning for the larger amount in their application submission. However, SDG&E nonresidential has sole discretion to accept or reject the reasoning provided.

How to apply:

1. Complete application forms and supporting documentation. This includes the following three forms and include supporting documentation showing how the energy savings and demand reduction amounts were determined: 1) C1 – Application; 2) C2 – Detailed Savings spreadsheet; and 3) C3 – Incentive Summary and TRC spreadsheet.
2. If applicable, complete and submit a Measurement and Verification (M&V) plan. Participants have the option of performing their own measurement and verification, provided the M&V plan is approved by SDG&E. Participants can elect to have an independent contractor authorized by SDG&E perform the M&V, provided that participants agree to abide by the savings results determined by the M&V evaluator.

| Type of Measure | Incentive Chart |
|----------------------|---------------------------------------|
| Lighting | Up to \$0.07 per annual kWh savings |
| *A/C & Refrigeration | Up to \$0.20 per annual kWh savings |
| Other Electric | Up to \$0.10 per annual kWh savings |
| Natural Gas | Up to \$0.80 per annual therm savings |

*Compressor equipment only

3. Submit one (1) paper copy and one (1) electronic copy to SDG&E.

Mail paper copy to:

San Diego Gas & Electric

Attn: ESB

8335 Century Park Court – CP12C

San Diego, CA 92123

E-mail electronic copy to:

ghumphrey@semprautilities.com

Applications can be accepted on or before the established due date of August 15, 2009.

Notification of application acceptance will occur within three weeks of application submission.

Timeline of events:

- Once a project is accepted, SDG&E will schedule a pre-installation site inspection, usually within five business days of project acceptance.
- Upon approval of the pre-inspection, the customer/project sponsor can move forward with the equipment purchase and installation.
- Once SDG&E's engineering group approves the energy savings, an incentive agreement between SDG&E and customer/project sponsor will be executed.
- After equipment has been installed, is operating and the proper documentation has been received, SDG&E will schedule the post inspection. Upon approval of this

inspection an incentive check for 60% of the incentive agreement amount will be issued.

- As a performance-based incentive program, the ESB program requires some means of determining the energy savings from a given project and verifying that energy savings have been achieved. Therefore, an M&V process is required. Upon successful completion of the M&V, the final incentive check will be issued.

The approved M&V energy savings by SDG&E will determine the actual energy savings for each Payment Group. The total incentives paid by SDG&E will be based on up to 100% of the installed energy savings amount provided by the customer/project sponsor for each Payment Group. SDG&E will not pay additional incentives if the approved M&V energy savings are higher than the installed energy savings submitted to us. Also, all of the incentives paid for a project may not exceed the amount listed in the incentive agreement.

Managing your energy use:

SDG&E has programs and services to help your business get more out of the energy that you use. Information on everything from seminars to online energy analysis tools, rebates and other financial incentives can be found at www.sdge.com/esc.

Helping businesses manage their energy use is one of the ways SDG&E is committed to providing exceptional customer service.

Important Dates:

The 2009-2011 Energy Efficiency Programs have not yet been approved by the California Public Utilities Commission (CPUC). In order to maintain program availability, the CPUC has issued a Bridge Funding Decision that authorizes SDG&E to continue programs following the same guidelines. Customers may participate in the Energy Savings Bid Program using the 2006-2008 program rules, incentive levels and applications. Bridge Funding will end no later than December 31, 2009.

Application acceptance: Please check the website or contact the program manager for the application schedule, as specific timeframes will be designated for application acceptance. Final application acceptance will be closed on August 15, 2009 or when all ESB incentive funds are no longer available.

Installation deadline: December 31, 2009.

For more details please visit www.sdge.com/bid and review the 2006 – 2008 *Energy Savings Bid Program Policy Manual*, or call the Senior Marketing Advisor – Jerry Humphrey at 858-654-1190.

Incentives are available on a first-come, first-served basis until funds are spent or the program end date of 12/31/09. SDG&E does not endorse, and is not responsible for any goods or services obtained by the customer from third parties. The Program is administered by SDG&E under the auspices of the California Public Utilities Commission and can be modified or terminated at any time.