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November 15, 2011

Dear Climate Leadership Awards Panel:

Please accept this letter as one of support for the nomination of San Diego Gas & Electric (SDG&E) for the 2011 Climate Leadership Awards.

CleanTECH San Diego is a nonprofit associated focused on accelerating the greater San Diego region's transition to a clean energy economy. We have a broad and diverse membership that includes the private sector companies, as well as local governments, nongovernmental agencies and universities and research institutes such as UC San Diego, Scripps Institution of Oceanography and San Diego State University. We are focused on business and job development in the clean technology arena and the policies that support these businesses and jobs.

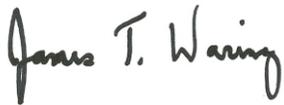
SDG&E is not only a CleanTECH San Diego member, but also has a representative on the Board of Directors. The utility is directly involved with three CleanTECH San Diego initiatives:

- **Smart City San Diego:** This year old innovative project involves the utility, CleanTECH San Diego, GE, UC San Diego and the City of San Diego. The purpose is to work collaboratively on energy efficiency, electric vehicle and smart technology deployments from concept to large scale. SDG&E has made its team available for project support and direction.
- **The bid for Soitec:** CleanTECH San Diego and SDG&E worked very closely to create an opportunity for Soitec, a German-based concentrated solar panel manufacturer, to local a factory in San Diego. A key to the effort was approval of power purchase agreements form projects using Soitec panels, all done in conformance with internal purchase and California Public Utility Commission procedures. This factory will have a direct employment impact of 450.
- **Smart grid and smart meter technologies:** Maximizing the potential from "smart" technologies will require a new set of software and hardware solutions. We are working closely with the utility to educate private sector companies about the needs and opportunities in meeting this need. This will be an ongoing effort, and if successful will produce many jobs and technologies with widespread application potential.

As a public utility, the easiest path is to produce power or buy power from a large, centralized source and transport it over a controlled grid to the ultimate user- easy to manage and control operationally and financially. The most difficult model for a utility is managing diverse sources, many intermittent and relatively small, some from remote locations and some produced locally. SDG&E has shown the leadership essential to move from the easiest model to the more difficult one. This transition is not easy, nor mistake free, but the utility is demonstrating the willingness to push forward.

For over 100 years, the utility model of production, distribution and financing has been relatively static. Technologies have changed, but the basic operational and business models have not. Within the past decade the political, environmental and national security landscapes have changed. Renewable power and serious energy efficiency are now important parts of a utility's mission- but how do these concepts, as they grow, impact how utilities operate and how they monetize their systems? The reality is that at this moment, no one really knows. What is known is that the model will change, and likely change dramatically. There are two ways a utility could react to this reality - lead, or wait and see what others do. Waiting is in many ways easier and certainly avoids the inevitable first mover mistakes. SDG&E has affirmatively chosen to not only lead, but to be public in its leadership. We are pleased to offer CleanTECH San Diego's full support of the nomination of San Diego Gas & Electric for the Climate Leadership Awards.

Sincerely,

A handwritten signature in black ink that reads "James T. Waring". The signature is written in a cursive style with a large, prominent initial "J".

Jim Waring