

SDG&E ECONOMIC DEVELOPMENT RATE (EDR) PROPOSAL

POSITION: The Chamber's Board of Directors voted to SUPPORT SDG&E's EDR Proposal on May 26, 2016.

STATUS: SDG&E's EDR is currently in proposal form and is on its way to the California Public Utilities Commission (CPUC) for approval.

AT-A-GLANCE

Modeled after Pacific Gas & Electric (PG&E) and Southern California Edison (SCE), San Diego Gas & Electric (SDG&E) has proposed an Economic Development Rate (EDR) to attract, retain, and expand business in the San Diego region.

SUMMARY

SDG&E has proposed two EDRs:

- Standard EDR:
 - 12% discounted rate - similar to SCE and PG&E's. Below are SDG&E's differences:
 - 5 megawatt of 45 megawatt cap designated for small/mid-sized companies with less than 150 kilowatt or below demand
 - 3rd shift option: super off-peak exemption from Non-Coincident Peak Charges
 - "Green" Incentive for Water Reduction at Facility
- Enhanced EDR:
 - From 20% up to 30% - differs from SCE and PG&E. Below is SDG&E's difference:
 - Priority Business Sectors (Life Sciences, Information & Communication Tech, Defense, Manufacturing) used to define eligibility, not unemployment level

The Process:

1. The customer submits their business case to SDG&E
2. If approved, there is a phone screen with GO-Biz
3. If approved, rate eligibility is determined (between the Standard Rate and Enhanced Rate)
4. Contract is signed and new rate is applied

Approval process is an estimated one to three months.

ANALYSIS

SDG&E's proposed EDRs are a smart way to attract, retain, and grow business in the San Diego region. Many businesses shy away from setting up shop in California because of the high energy costs, among other things. SDG&E's proposed EDRs will work to attract businesses and keep them here. This incentive program includes an Enhanced Rate which targets specific industries that have a high economic impact, in terms of direct employment and Gross Regional Product (GRP). SDG&E's program is forward-thinking, and an attractive and cost-effective way to support businesses in the San Diego region.

SUPPORT

None known

OPPOSITION

None known