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(PZ) CPUC Approves SDG&E Contract for Solar Power

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SAN DIEGO, Dec. 20, 2005 (PRIMEZONE) -- San Diego Gas & Electric Co. (SDG&E) today announced that the California Public Utilities Commission (CPUC) has approved its contracts to purchase 300 megawatts (MW) of solar power, with the potential to grow to 900 MW within 10 years. The project will be one of the largest solar facilities in the world when fully constructed.

"The CPUC's approval of our contracts is a winwin situation for our customers and the communities we serve," said Terry Farrelly, vice president of electric and gas procurement at SDG&E. "The project will provide clean, renewable solar energy and move us closer to achieving our goal to supply 20 percent of our customers' needs from renewable resources by 2010."

SDG&E will purchase the solar energy from Arizona-based Stirling Energy Systems. SDG&E and Stirling have agreed to a 20-year contract to first purchase 300 MW from Stirling's SES Solar 2 facility, home to a series of Stirling solar dishes to be developed on

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approximately three square miles in Imperial Valley, Calif. SDG&E has options on two future phases that could add an additional 600 MW of renewable energy and capacity to SDG&E's resource mix. Solar energy is generally abundant during the hottest parts of the day, making it available to meet peak demand from customers.

The Stirling solar dishes use a mirrored array to focus the sun's rays on a modern Stirling engine. Stirling engines, originally developed in 1816, have four sealed cylinders containing hydrogen or helium. When a cylinder is heated by the sun, the gas expands and pushes a piston; when it cools, the piston retreats. The mechanical action turns a generator and produces electricity. Because the cylinders

are sealed, Stirling engines do not produce emissions.

The Stirling projects will require additional transmission facilities to be built to bring the energy to SDG&E customers. SDG&E's proposed Sunrise Powerlink would help to guarantee delivery of the full potential of this contract.

Last year, the CPUC approved SDG&E's long-term energy resource plan, which relies on a balanced mix of resources to meet the growing energy needs of San Diego. That mix includes increased emphasis on energy efficiency, more renewable energy resources, and additional baseload generation plants and transmission capacity.

SDG&E is a regulated public utility that provides safe and reliable energy service to 3.3 million consumers through 1.3 million electric meters and more than 800,000 natural gas meters in San Diego and southern Orange counties. The utility's area spans 4,100 square miles. Exceptional customer service is a priority of SDG&E as it seeks to enhance the region's quality of life. SDG&E is a regulated subsidiary of Sempra Energy (NYSE:SRE). Sempra Energy, based in San Diego, is a Fortune 500 energy services holding company.

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