

**SETTLEMENT AGREEMENT BETWEEN SDG&E AND THE GREENLINING INSTITUTE**  
**A.08-07-017**

San Diego Gas and Electric Company ("SDG&E") is proud of its lasting commitment to diversity, and of its steady progress toward its diversity benchmarks, as set forth in its Six-Year Leadership Agreement with The Greenlining Institute ("Greenlining").<sup>1</sup>

SDG&E is also proud of its commitment to the communities within its service territory, and strives wherever possible to advance the economic well-being of the households and businesses that support it.

To these ends, SDG&E and Greenlining agree to the following commitments in the context of SDG&E's Solar Energy Project.

**Supplier Diversity**

As stated in the Six-Year Leadership Agreement:

Supplier diversity creates greater economic opportunities for minorities, women and disabled veterans and has long been a priority with SEU. SEU's commitment began even before the CPUC<sup>2</sup> issued GO-156 and the CPUC became the national leader in encouraging corporations to grant greater opportunities to women, minority, and disabled veteran-owned businesses.

Supplier diversity has a substantial financial benefit for SEU as increased opportunities for minority, women and disabled veteran businesses creates [sic] greater competition, which can result in reduced costs to the utilities and likewise, the ratepayers. For many years SEU has been a national leader in recognizing this.

To these ends, SDG&E has developed a robust supplier diversity program, and continues to strive for progress. One critical way progress can be achieved is through

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<sup>1</sup> The Six-Year Leadership Agreement was formed between Greenlining and the Sempra Energy Utilities ("SEU"), which consists of San Diego Gas and Electric Company and Southern California Gas Company. As such, SDG&E is a party to the agreement.

<sup>2</sup> California Public Utilities Commission (footnote not included in original).

second-tier initiatives. Again, as set forth in the Six-Year Leadership Agreement, SEU agreed to:

Requir[e] tier-one suppliers, to set and achieve goals for minorities, women and disabled veterans, to meet GO-156 goals and to encourage them to provide their technical assistance in the area of capacity building, where appropriate, to small minority, women, and disabled veteran-owned businesses. It is hoped and expected of SEU over time to encourage tier-one suppliers to eventually adopt supplier diversity goals similar to those set by SEU.

In the context of the Solar Energy Project as it relates to work contracted directly by SDG&E, SDG&E will strive to achieve its overall 30% DBE target. This aspirational goal will be very challenging over the next five-year time frame, as its capital program is expected to double due to major infrastructure projects. Greenlining asserts that the solar energy industry today does not share SDG&E's commitment to diversity, but believes this situation can be remedied through efforts such as those in which SDG&E intends to engage.

The American solar industry is entering an unprecedented phase of growth. In order to ensure that it grows in a manner that is in keeping with the strong standards for diversity and inclusion set by the CPUC and SDG&E, business development and technical assistance may be required to promote responsible growth. SDG&E has already made commitments in these areas:

Over a six-year period a \$3.6 million minimum technical assistance and business development program, including capacity building and sponsorship of minority business organizations. In addition, SEU will where possible seek to leverage this funding with matching funding from other corporation, government, and private foundations.<sup>3</sup>

In the context of the Solar Energy Project, SDG&E agrees that, where reasonable to do so, a portion of this commitment will be directed toward programs that assist minority businesses emerging in the green energy field.

Greenlining believes that the degree to which energy independence, clean and renewable energy, and economic stimulus are focuses of current statewide and

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<sup>3</sup> Six-Year Leadership Agreement.

national discourse will likely present many opportunities to leverage SDG&E's funds toward matching programs that can provide a much greater investment in green businesses of color. SEU has exhibited, and continues to exhibit, a unique capacity for creative solutions to the challenges it faces, and Greenlining is confident that SDG&E can apply the same innovative thinking to the goal of maximizing its leveraging opportunities. As always, Greenlining and its coalition members will be available to work with SDG&E wherever possible.

### Workforce Development

In the area of workforce diversity, SDG&E already aspires to achieve labor market parity within its own workforce, as spelled out in the Six-Year Leadership Agreement. Current events, however, warrant an additional consideration. Locally, statewide, and nationwide, the "emerging green economy" promises to create much-needed career opportunities in a time of nearly-unprecedented unemployment.

However, the potential for lasting economic impact will vary depending on how these opportunities are deployed. Traditionally, underserved communities stand to gain the most from targeted access to training, experience, resources, and opportunities created by the emerging green economy.

Therefore, as a continuation of SDG&E's strong existing commitment to the communities it serves, SDG&E will do everything it can to ensure it maintains a strong diverse workforce across the organization, and to the extent possible, for SDG&E jobs related to the Solar Energy project.<sup>4</sup>

To this end, SDG&E intends to collaborate with Greenlining to identify workforce development programs in its service territory (or other areas in which individual solar installations may be located, as appropriate) that draw from traditionally underserved communities and support training activities that can ultimately result in placement opportunities in fields related to the Solar Energy Project.

It should be noted that the extent to which SDG&E can control hiring decisions is limited by existing labor agreements and by the dedication of a portion of the Solar Energy Project to independent power producers. However, SDG&E will make a good faith effort to encourage its partners to complement SDG&E's position on the issue of green economic development.

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<sup>4</sup> As defined by the workforce development programs with which SDG&E intends to work.

Achievement of Objectives and Meetings with Greenlining:

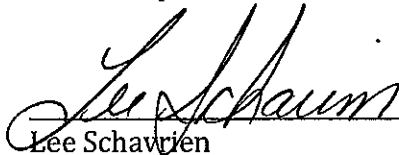
California leads the nation in deployment of utility-scale solar PV projects. These groundbreaking efforts, together with the goals SDG&E and Greenlining have set herein, give SDG&E an ideal opportunity to emerge as a national example in demonstrating that the "green jobs" that have received so much public attention in recent months can come to fruition.

As part of the Six-Year Leadership Agreement between SEU and Greenlining, Greenlining and members of its multi-ethnic coalition meet with SEU's CEO and senior management on a semi-annual basis. The goals set forth in this agreement will be added to the agenda for future meetings, for the duration of the Program's buildout.

Innovation and Collaboration in Leadership:

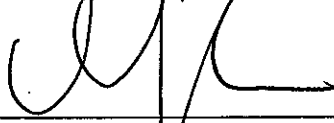
Both SDG&E and Greenlining believe that progress can best be achieved through the exchange of ideas. Greenlining and its coalition members remain available at any time to assist SDG&E in the achievement of these goals.

Dated: September 9, 2009



Lee Schavrien  
SVP Regulatory & Finance  
San Diego Gas & Electric

Dated: September 21, 2009



Orson Aguilar  
Executive Director  
The Greenlining Institute