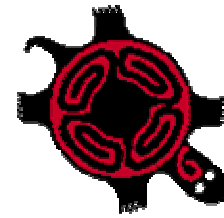


Tribal Energy Options



AB 1890 became law in California in 1996 (see statutes Chapter 854); the bill was known as The California Utility Restructuring Act. The bill caused a major restructuring of the landscape of electric utilities in California; traditional utility companies such as San Diego Gas & Electric sold off all of their generating facilities choosing to retain the distribution grid networks they had built over time, and became nothing more than Utility Distribution Companies (UDC). The act recognized that the electric utility distribution network was wholly underdeveloped to non-existent on many Southern California Tribal lands. This lack of adequate electric service was and is a hindrance to the economic development efforts of the various tribes, forcing the construction of most facilities on or near the major arterials running either adjacent to or through tribal lands. Development of the grid on and into tribal lands poses considerable problems for self-determinate tribes.

Grid Energy

Local Provider: San Diego Gas & Electric
Best Rate: Industrial Rate @ Average price of 15¢/ kWh
Conditions: Option 1 -- UDC installs the grid at no upfront charge on tribal land, but requires vested easements on tribal lands for all trenches and/or poles. Grid remains the property of the UDC in perpetuity. Tribe pays grid surcharge, plus all mandated PUC taxes on power used; rates are non-negotiable and standard.

Option 2 -- Tribe installs the grid at great expense on tribal land and maintains ownership. Tribe still pays grid surcharge plus all applicable and mandated PUC taxes and other surcharges on power used.

Energy Cooperative – Direct Buy

Local Provider: Tribal Energy Cooperative
Best Rate: Tribe buys direct from producer at a discount to the rate above, of approximately 40%
Conditions: Option 1 -- Tribe installs the grid at great expense on tribal land and maintains ownership. Tribe still pays grid surcharge plus all applicable and mandated PUC taxes and other surcharges on power used.
Option 2 -- UDC installs the grid at no upfront charge on tribal land, but requires vested easements on tribal lands for all trenches and/or poles. Grid remains the property of the UDC in perpetuity. Tribe pays grid surcharge, plus all mandated PUC taxes on power used; rates are non-negotiable and standard.

Energy Cooperative – Solar Generation – Grid-tie

Local Provider: Tribal Energy Cooperative
Best Rate: Tribe pays for Approximately 35% of current rates and about 50% of Negotiated Direct Rates.
Conditions: Option 1 -- UDC installs the grid at no upfront charge on tribal land, but requires vested easements on tribal lands for all trenches and/or poles. Grid remains the property of the UDC in perpetuity. Tribe pays grid surcharge only and may negotiate no pay based on over generation; rates are negotiable and nonstandard.

Option 2 -- Tribe installs the on-reservation grid at moderate expense and maintains ownership. Tribe still pays grid surcharge for grid access unless negotiated with surplus power.



With Solar Generation in Grid-tie configuration, the entire tribe benefits from surplus power, free from the sun. No excess CO₂ is generated by the power from the sun and, depending on the size of the solar array, as much as 1MM tons of CO₂ can be prevented from going into the local atmosphere¹. Moreover, with the advent of *green tags*, the Tribe may actually sell, for a profit, the *green tags* which could be issued for each kilowatt generated by the son.



¹ The National Energy Research Laboratory has confirmed that the frequency and severity of atmospheric disturbances such as tornadoes, hurricanes, and tropical storms increases considerably with the addition of more and more excess CO₂ to the atmosphere.