

**Application for Recognition of Exemption
 Under Section 501(c)(3) of the Internal Revenue Code**

OMB No. 1545-0047
 1705302603004

Note: If exempt status is approved, this application will be open for public inspection.

Read the instructions for each Part carefully.
 A User Fee must be attached to this application.
 If the required information and appropriate documents are not submitted along with Form 8718 (with payment of the appropriate user fee), the application may be returned to you.
 Complete the Procedural Checklist on page 8 of the instructions.

Part I Identification of Applicant

1a Full name of organization (as shown in organizing document) THE SAN DIEGO REGIONAL ENERGY OFFICE		2 Employer identification number (EIN) (If none, see page 3 of the Specific Instructions.) 33 : 0936366
1b c/o Name (if applicable) Kurt Kammerer		3 Name and telephone number of person to be contacted if additional information is needed Matthew O. Foley III, Esq.
1c Address (number and street) 401 B. Street	Room/Suite 800	(858) 457-3800
1d City, town, or post office, state, and ZIP + 4. If you have a foreign address, see Specific Instructions for Part I, page 3. San Diego, CA -- 92101		4 Month the annual accounting period ends December
1e Web site address sdenergy.org		5 Date incorporated or formed 11-21-2000
7 Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? If "Yes," attach an explanation.		6 Check here if applying under section: a <input type="checkbox"/> 501(e) b <input type="checkbox"/> 501(f) c <input type="checkbox"/> 501(k) d <input type="checkbox"/> 501(h)
8 Is the organization required to file Form 990 (or Form 990-EZ)? If "No," attach an explanation (see page 3 of the Specific Instructions).		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
9 Has the organization filed Federal income tax returns or exempt organization information returns? If "Yes," state the form numbers, years filed, and Internal Revenue office where filed.		<input type="checkbox"/> N/A <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Post Mark **Received**
JAN 22 '01 **JAN 23 '01**

10 Check the box for the type of organization. ATTACH A CONFORMED COPY OF THE CONFORMING ORGANIZING DOCUMENTS TO THE APPLICATION BEFORE MAILING. (See Specific Instructions for Part I, Line 10, on page 3.) See also Pub. 557 for examples of organizational documents.)


a Corporation—Attach a copy of the Articles of Incorporation (including amendments and restatements) showing approval by the appropriate state official; also include a copy of the bylaws.

b Trust— Attach a copy of the Trust Indenture or Agreement, including all appropriate signatures and dates.

c Association—Attach a copy of the Articles of Association, Constitution, or other creating document, with a declaration (see instructions) or other evidence the organization was formed by adoption of the document by more than one person; also include a copy of the bylaws.

If the organization is a corporation or an unincorporated association that has not yet adopted bylaws, check here

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

Please Sign Here  **President** **1/19/01**
 (Type or print name and title or authority of signer)

Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code

OMB No. 1545-0056
 Note: If exempt status is approved, this application will be open for public inspection.

Read the instructions for each Part carefully.
A User Fee must be attached to this application.
 If the required information and appropriate documents are not submitted along with Form 8718 (with payment of the appropriate user fee), the application may be returned to you.
Complete the Procedural Checklist on page 8 of the instructions.

Part I Identification of Applicant

1a Full name of organization (as shown in organizing document) THE SAN DIEGO REGIONAL ENERGY OFFICE	2 Employer identification number (EIN) (If none, see page 3 of the Specific Instructions.) 33 : 0936366
1b c/o Name (if applicable) Kurt Kammerer	3 Name and telephone number of person to be contacted if additional information is needed Matthew O. Foley III, Esq. (858) 457-3800
1c Address (number and street) 401 B. Street	
1d City, town, or post office, state, and ZIP + 4. If you have a foreign address, see Specific Instructions for Part I, page 3. San Diego, CA 92101	4 Month the annual accounting period ends December
1e Web site address sdenergy.org	5 Date incorporated or formed 11-21-2000
6 Check here if applying under section: a <input type="checkbox"/> 501(e) b <input type="checkbox"/> 501(f) c <input type="checkbox"/> 501(k) d <input type="checkbox"/> 501(n)	
7 Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? If "Yes," attach an explanation.	
8 Is the organization required to file Form 990 (or Form 990-EZ)? If "No," attach an explanation (see page 3 of the Specific Instructions).	
9 Has the organization filed Federal income tax returns or exempt organization information returns? If "Yes," state the form numbers, years filed, and Internal Revenue office where filed.	

10 Check the box for the type of organization. ATTACH A CONFORMED COPY OF THE CORRESPONDING ORGANIZING DOCUMENTS TO THE APPLICATION BEFORE MAILING. (See Specific Instructions for Part I, Line 10, on page 3.) See also Pub. 557 for examples of organizational documents.)

- a Corporation—Attach a copy of the Articles of Incorporation (including amendments and restatements) showing approval by the appropriate state official; also include a copy of the bylaws.
- b Trust— Attach a copy of the Trust Indenture or Agreement, including all appropriate signatures and dates.
- c Association— Attach a copy of the Articles of Association, Constitution, or other creating document, with a declaration (see instructions) or other evidence the organization was formed by adoption of the document by more than one person; also include a copy of the bylaws.

If the organization is a corporation or an unincorporated association that has not yet adopted bylaws, check here

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

Please Sign Here

 (Signature) President (Date)

Part II Activities and Operational Information

- 1 Provide a detailed narrative description of all the activities of the organization—past, present, and planned. **Do not merely refer to or repeat the language in the organizational document.** List each activity separately in the order of importance based on the relative time and other resources devoted to the activity. Indicate the percentage of time for each activity. Each description should include, as a minimum, the following: (a) a detailed description of the activity including its purpose and how each activity furthers your exempt purpose; (b) when the activity was or will be initiated; and (c) where and by whom the activity will be conducted.

SEE ATTACHED EXHIBIT 1

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- 2 What are or will be the organization's sources of financial support? List in order of size.

SEE ATTACHED EXHIBIT 2

-
- 3 Describe the organization's fundraising program, both actual and planned, and explain to what extent it has been put into effect. Include details of fundraising activities such as selective mailings, formation of fundraising committees, use of volunteers or professional fundraisers, etc. Attach representative copies of solicitations for financial support.

SEE ATTACHED EXHIBIT 3

Part II Activities and Operational Information (Continued)

4 Give the following information about the organization's governing body:

a Names, addresses, and titles of officers, directors, trustees, etc.

b Annual compensation

SEE ATTACHED EXHIBIT 4

c Do any of the above persons serve as members of the governing body by reason of being public officials or being appointed by public officials? Yes No
If "Yes," name those persons and explain the basis of their selection or appointment.

SEE EXHIBIT 5

d Are any members of the organization's governing body "disqualified persons" with respect to the organization (other than by reason of being a member of the governing body) or do any of the members have either a business or family relationship with "disqualified persons"? (See Specific Instructions for Part II, Line 4d, on page 3.) Yes No
If "Yes," explain.

5 Does the organization control or is it controlled by any other organization? Yes No
Is the organization the outgrowth of (or successor to) another organization, or does it have a special relationship with another organization by reason of interlocking directorates or other factors? Yes No
If either of these questions is answered "Yes," explain.

6 Does or will the organization directly or indirectly engage in any of the following transactions with any political organization or other exempt organization (other than a 501(c)(3) organization): (a) grants; (b) purchases or sales of assets; (c) rental of facilities or equipment; (d) loans or loan guarantees; (e) reimbursement arrangements; (f) performance of services, membership, or fundraising solicitations; or (g) sharing of facilities, equipment, mailing lists or other assets, or paid employees? Yes No
If "Yes," explain fully and identify the other organizations involved.

7 Is the organization financially accountable to any other organization? Yes No
If "Yes," explain and identify the other organization. Include details concerning accountability or attach copies of reports if any have been submitted.

SEE EXHIBIT 6

Part II Activities and Operational Information (Continued)

8 What assets does the organization have that are used in the performance of its exempt function? (Do not include property producing investment income.) If any assets are not fully operational, explain their status, what additional steps remain to be completed, and when such final steps will be taken. If none, indicate "N/A."

Several computers, office equipment & test equipment

9 Will the organization be the beneficiary of tax-exempt bond financing within the next 2 years? Yes No

10a Will any of the organization's facilities or operations be managed by another organization or individual under a contractual agreement? Yes No

b Is the organization a party to any leases? Yes No
If either of these questions is answered "Yes," attach a copy of the contracts and explain the relationship between the applicant and the other parties.

SEE EXHIBIT 7

11 Is the organization a membership organization? Yes No
If "Yes," complete the following:

a Describe the organization's membership requirements and attach a schedule of membership fees and dues.

b Describe the organization's present and proposed efforts to attract members and attach a copy of any descriptive literature or promotional material used for this purpose.

c What benefits do (or will) the members receive in exchange for their payment of dues?

12a If the organization provides benefits, services, or products, are the recipients required, or will they be required, to pay for them? N/A Yes No
If "Yes," explain how the charges are determined and attach a copy of the current fee schedule.

SEE EXHIBIT 8

b Does or will the organization limit its benefits, services, or products to specific individuals or classes of individuals? N/A Yes No
If "Yes," explain how the recipients or beneficiaries are or will be selected.

SEE EXHIBIT 8

13 Does or will the organization attempt to influence legislation? Yes No
If "Yes," explain. Also, give an estimate of the percentage of the organization's time and funds that it devotes or plans to devote to this activity.

SEE EXHIBIT 9

14 Does or will the organization intervene in any way in political campaigns, including the publication or distribution of statements? Yes No
If "Yes," explain fully.

SEE EXHIBIT 9

Part III Technical Requirements

1 Are you filing Form 1023 within 15 months from the end of the month in which your organization was created or formed? Yes No
If you answer "Yes," do not answer questions on lines 2 through 6 below.

2 If one of the exceptions to the 15-month filing requirement shown below applies, check the appropriate box and proceed to question 7.

Exceptions—You are not required to file an exemption application within 15 months if the organization:

- a Is a church, interchurch organization of local units of a church, a convention or association of churches, or an integrated auxiliary of a church. See **Specific Instructions**, Line 2a, on page 4;
- b Is not a private foundation and normally has gross receipts of not more than \$5,000 in each tax year; or
- c Is a subordinate organization covered by a group exemption letter, but only if the parent or supervisory organization timely submitted a notice covering the subordinate.

3 If the organization does not meet any of the exceptions on line 2 above, are you filing Form 1023 within 27 months from the end of the month in which the organization was created or formed? Yes No

If "Yes," your organization qualifies under Regulation section 301.9100-2, for an automatic 12-month extension of the 15-month filing requirement. Do not answer questions 4 through 6.

If "No," answer question 4.

4 If you answer "No" to question 3, does the organization wish to request an extension of time to apply under the "reasonable action and good faith" and the "no prejudice to the interest of the government" requirements of Regulations section 301.9100-3? Yes No

If "Yes," give the reasons for not filing this application within the 27-month period described in question 3. See **Specific Instructions**, Part III, Line 4, before completing this item. Do not answer questions 5 and 6.

If "No," answer questions 5 and 6.

5 If you answer "No" to question 4, your organization's qualification as a section 501(c)(3) organization can be recognized only from the date this application is filed. Therefore, do you want us to consider the application as a request for recognition of exemption as a section 501(c)(3) organization from the date the application is received and not retroactively to the date the organization was created or formed? Yes No

6 If you answer "Yes" to question 5 above and wish to request recognition of section 501(c)(4) status for the period beginning with the date the organization was formed and ending with the date the Form 1023 application was received (the effective date of the organization's section 501(c)(3) status), check here and attach a completed page 1 of Form 1024 to this application.

Part III Technical Requirements (Continued)

7 Is the organization a private foundation?

- Yes (Answer question 8.)
 No (Answer question 9 and proceed as instructed.)

8 If you answer "Yes" to question 7, does the organization claim to be a private operating foundation?

- Yes (Complete Schedule E.)
 No

After answering question 8 on this line, go to line 14 on page 7.

9 If you answer "No" to question 7, indicate the public charity classification the organization is requesting by checking the box below that most appropriately applies:

THE ORGANIZATION IS NOT A PRIVATE FOUNDATION BECAUSE IT QUALIFIES:

- | | | |
|---|--|---|
| a | <input type="checkbox"/> As a church or a convention or association of churches
(CHURCHES MUST COMPLETE SCHEDULE A.) | Sections 509(a)(1)
and 170(b)(1)(A)(i) |
| b | <input type="checkbox"/> As a school (MUST COMPLETE SCHEDULE B.) | Sections 509(a)(1)
and 170(b)(1)(A)(ii) |
| c | <input type="checkbox"/> As a hospital or a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital (These organizations, except for hospital service organizations, MUST COMPLETE SCHEDULE C.) | Sections 509(a)(1)
and 170(b)(1)(A)(iii) |
| d | <input type="checkbox"/> As a governmental unit described in section 170(c)(1). | Sections 509(a)(1)
and 170(b)(1)(A)(v) |
| e | <input type="checkbox"/> As being operated solely for the benefit of, or in connection with, one or more of the organizations described in a through d, g, h, or i (MUST COMPLETE SCHEDULE D.) | Section 509(a)(3) |
| f | <input type="checkbox"/> As being organized and operated exclusively for testing for public safety. | Section 509(a)(4) |
| g | <input type="checkbox"/> As being operated for the benefit of a college or university that is owned or operated by a governmental unit. | Sections 509(a)(1)
and 170(b)(1)(A)(iv) |
| h | <input checked="" type="checkbox"/> As receiving a substantial part of its support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public. | Sections 509(a)(1)
and 170(b)(1)(A)(vi) |
| i | <input type="checkbox"/> As normally receiving not more than one-third of its support from gross investment income and more than one-third of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions). | Section 509(a)(2) |
| j | <input type="checkbox"/> The organization is a publicly supported organization but is not sure whether it meets the public support test of h or i. The organization would like the IRS to decide the proper classification. | Sections 509(a)(1)
and 170(b)(1)(A)(vii)
or Section 509(a)(2) |

If you checked one of the boxes a through f in question 9, go to question 14. If you checked box g in question 9, go to questions 11 and 12. If you checked box h, i, or j, in question 9, go to question 10.

Part III Technical Requirements (Continued)

- 10 If you checked box h, i, or j in question 9, has the organization completed a tax year of at least 8 months?
 Yes—Indicate whether you are requesting:
 A definitive ruling. (Answer questions 11 through 14.)
 An advance ruling. (Answer questions 11 and 14 and attach two Forms 872-C^a completed and signed.)
 No—You must request an advance ruling by completing and signing two Forms 872-C and attaching them to the Form 1023:
- 11 If the organization received any unusual grants during any of the tax years shown in Part IV-A, **Statement of Revenue and Expenses**, attach a list for each year showing the name of the contributor; the date and the amount of the grant; and a brief description of the nature of the grant.

NONE

- 12 If you are requesting a definitive ruling under section 170(b)(1)(A)(iv) or (vi), check here and:
 a Enter 2% of line 8, column (e), Total, of Part IV-A
 b Attach a list showing the name and amount contributed by each person (other than a governmental unit or "publicly supported" organization) whose total gifts, grants, contributions, etc., were more than the amount entered on line 12a above.
- 13 If you are requesting a definitive ruling under section 509(a)(2), check here and:
 a For each of the years included on lines 1, 2, and 9 of Part IV-A, attach a list showing the name of and amount received from each "disqualified person." (For a definition of "disqualified person," see **Specific instructions**, Part II, Line 4d, on page 3.)
 b For each of the years included on line 9 of Part IV-A, attach a list showing the name of and amount received from each payer (other than a "disqualified person") whose payments to the organization were more than \$5,000. For this purpose, "payer" includes, but is not limited to, any organization described in sections 170(b)(1)(A)(i) through (vi) and any governmental agency or bureau.

14 Indicate if your organization is one of the following. If so, complete the required schedule. (Submit only those schedules that apply to your organization. Do not submit blank schedules.)	Yes	No	If "Yes," complete Schedule:
Is the organization a church?		X	A
Is the organization, or any part of it, a school?		X	B
Is the organization, or any part of it, a hospital or medical research organization?		X	C
Is the organization a section 509(a)(3) supporting organization?		X	D
Is the organization a private operating foundation?		X	E
Is the organization, or any part of it, a home for the aged or handicapped?		X	F
Is the organization, or any part of it, a child care organization?		X	G
Does the organization provide or administer any scholarship benefits, student aid, etc.?		X	H
Has the organization taken over, or will it take over, the facilities of a "for profit" institution? . . .		X	I

Part IV Financial Data

SEE ATTACHED EXHIBIT 10

Complete the financial statements for the current year and for each of the 3 years immediately before it. If in existence less than 4 years, complete the statements for each year in existence. If in existence less than 1 year, also provide proposed budgets for the 2 years following the current year.

A. Statement of Revenue and Expenses

		3 prior tax years or proposed budget for 2 years				(e) TOTAL	
		Current tax year	(a) From	(b)	(c)		(d)
Revenue	1	Gifts, grants, and contributions received (not including unusual grants—see page 6 of the instructions).	(a) From	(b)	(c)	(d)	(e) TOTAL
	2	Membership fees received					
	3	Gross investment income (see instructions for definition)					
	4	Net income from organization's unrelated business activities not included on line 3					
	5	Tax revenues levied for and either paid to or spent on behalf of the organization					
	6	Value of services or facilities furnished by a governmental unit to the organization without charge (not including the value of services or facilities generally furnished the public without charge)					
	7	Other income (not including gain or loss from sale of capital assets) (attach schedule)					
	8	Total (add lines 1 through 7)					
	9	Gross receipts from admissions, sales of merchandise or services, or furnishing of facilities in any activity that is not an unrelated business within the meaning of section 513. Include related cost of sales on line 22					
	10	Total (add lines 8 and 9)					
	11	Gain or loss from sale of capital assets (attach schedule)					
	12	Unusual grants					
	13	Total revenue (add lines 10 through 12)					
Expenses	14	Fundraising expenses					
	15	Contributions, gifts, grants, and similar amounts paid (attach schedule)					
	16	Disbursements to or for benefit of members (attach schedule)					
	17	Compensation of officers, directors, and trustees (attach schedule)					
	18	Other salaries and wages					
	19	Interest					
	20	Occupancy (rent, utilities, etc.)					
	21	Depreciation and depletion					
	22	Other (attach schedule)					
	23	Total expenses (add lines 14 through 22)					
	24	Excess of revenue over expenses (line 13 minus line 23)					

Part IV Financial Data (Continued)

B. Balance Sheet (at the end of the period shown)		Current tax year Date <u>1-16-01</u>
Assets		
1	Cash	115000
2	Accounts receivable, net	0
3	Inventories	0
4	Bonds and notes receivable (attach schedule)	0
5	Corporate stocks (attach schedule)	0
6	Mortgage loans (attach schedule)	0
7	Other investments (attach schedule)	0
8	Depreciable and depletable assets (attach schedule)	0
9	Land	0
10	Other assets (attach schedule) <u>computers, office equipment, test equipment</u>	20000
11	Total assets (add lines 1 through 10)	135000
Liabilities		
12	Accounts payable	0
13	Contributions, gifts, grants, etc., payable	0
14	Mortgages and notes payable (attach schedule)	0
15	Other liabilities (attach schedule)	0
16	Total liabilities (add lines 12 through 15)	0
Fund Balances or Net Assets		
17	Total fund balances or net assets	135000
18	Total liabilities and fund balances or net assets (add line 16 and line 17)	135000

If there has been any substantial change in any aspect of the organization's financial activities since the end of the period shown above, check the box and attach a detailed explanation

FORM 1023 APPLICATION FOR EXEMPTION
THE SAN DIEGO REGIONAL ENERGY OFFICE
TIN 33-0936366
EXHIBIT 1
PART 11 QUESTION 1
ACTIVITIES & OPERATIONAL INFORMATION

The San Diego Regional Energy Office, a California non-profit public benefit corporation (hereinafter referred to as "SDREO") is an independent, non-profit strategically focused energy organization. Its programs are designed to promote energy policy and planning activities that include managing public-interest energy programs and providing vital energy information to the region, SDREO serves as a critical link between the county of San Diego and state and federal energy programs.

California is in the middle of a unique and unprecedented energy crisis involving deregulation, sky rocketing energy costs and the resulting need to find and implement programs for the public benefit to more efficiently use our limited energy resources and seek ways to develop alternate energy.

The San Diego Regional Energy Office is the only energy planning organization of its kind in California. Its unique reputation for objectivity and well-established relationships with various energy stakeholders makes SDREO well positioned to catalyze, develop and implement smart energy planning for the San Diego region

The programs implemented by SDREO focus on energy research and development, energy efficiency and the environment, clean fuel vehicles and infrastructure, energy elements of land use planning and renewable energy.

Programs are always available to the Public and Include:

Current Programs

The San Diego Regional Energy Office continues to build upon its past accomplishments by supporting four key energy strategies:

- Policy and Planning
- Energy Efficiency
- New and Emerging Technologies
- Community Outreach and Education

Following is a list of SDREO's ongoing programs that encourage smart energy planning for the region:

Policy and Planning

The Regional Energy Plan Update

Many have been asking for a regional energy strategy that identifies long-term solutions that result in the San Diego region becoming more energy self-sufficient. The Regional Energy Plan is that strategy. On August 30, 2000, SDREO launched the process to update the 1994 Regional Energy Plan. SDREO is committed to bringing together energy stakeholders and the community at large to develop an action-oriented plan with specific goals and objectives. Please refer to the Regional Energy Plan information packet for more information, or access our website at: www.sdenergy.org

High-Performance Building Policies

SDREO continues to work with public agencies to adopt energy policies that support high performance design and construction of new residential, public and commercial buildings. Adopting sound energy policies reflects our region's commitment to becoming more energy self-sufficient while conserving our natural resources.

The San Diego Regional Power Pool

SDREO assists the 85 public agencies that comprise the San Diego Regional Power Pool with evaluating electricity procurement options, developing energy plans and exploring new technologies that reduce our dependence on external natural resources.

Energy Efficiency

Rebuild San Diego

As a regional program representative for the Department of Energy's Rebuild America program, SDREO works with organizations to develop comprehensive energy policies and action plans that increase energy efficiency and support the objectives of the San Diego Regional Energy Plan.

San Diego County Innovative Building Review Committee

Illustrating its ongoing commitment toward energy efficiency, SDREO is an active member on the County of San Diego's Innovative Building Review Committee (IRBC). The IRBC offers to design teams a free evaluation of their projects in an effort to identify ways to exceed Title 24 energy efficiency standards.

New and Emerging Technologies

Million Solar Roofs Initiative

Million Solar Roofs is a federal initiative to install solar energy systems on one million U.S. buildings by 2010. In June 1999, The U.S. Department of Energy (DOE) selected SDREO to help develop the market to install 20,000 solar rooftop systems in San Diego by the year 2010. This initiative includes two types of solar technology:

- Photovoltaics -- that produce electricity from sunlight
- Solar thermal panels -- that produce heat for domestic hot water, space heating, or swimming pools.
- The grant will support a regional effort to help increase awareness about solar technologies and to develop the solar energy market to install 20,000 solar rooftop systems in the San Diego by the year 2010.

San Diego Padres Ballpark Redevelopment

Understanding the City of San Diego's and the San Diego Padres' commitment toward energy and resource efficiency, SDREO is an active partner by exploring new and innovative energy efficiency elements into the design of the new ballpark. Working with the Padres' design team, SDREO has demonstrated how solar energy could be integrated into the ballpark design and serve the electricity needs of the Padres Team Store. This includes assistance in utilizing building planning, natural ventilation, passive lighting, clean fuel vehicles and high efficiency window and lighting systems to serve as a model for the citizens and businesses of San Diego and Southern California to promote energy and resource efficiency and conservation of our resources to protect the environment. SDREO continues to work with the Padres to help make this project a reality.

Emerging Technologies Initiative

Leveraging its expertise in new technology development and deployment, SDREO is working with the California Energy Commission (CEC), San Diego Gas & Electric (SDG&E), various technology developers and local builders to evaluate and demonstrate new and emerging technologies. A few of the emerging technologies under evaluation include premium efficiency residential air conditioners, T-5 fluorescent lamps, demand-responsive thermostats and real-time meters.

Community Outreach and Education

Electricity Price Index

SDREO, in partnership with the California Power Exchange (PX) is developing an automated Electricity Price Index (EPI). Similar to the ultra-violet index, the EPI illustrates the hourly electricity prices for the San Diego area and alerts consumers of high energy price periods.

Pathways to Energy Solutions

As part of the Regional Energy Plan Update process, SDREO is hosting a series of workshops focused on key issues and strategies driving the energy environment. Samples of workshop topics include energy efficiency, renewable energy, real-time metering and landfill gas generation. These workshops will not only address new emerging technologies, but will also focus on the challenges and barriers to implementing these key strategies.

Energy 101 Education Series

SDREO is developing a series of mini-workshops to educate the public on energy. The series will begin with "Energy 101 – Understanding Energy Basics". Energy 101 will cover topics such as where San Diego gets its energy, how it's delivered to our homes and businesses and steps we can take to conserve our natural resources.

Energy Events Calendar

As the region's single source of comprehensive energy information, the SDREO website will host the Energy Events Calendar. This calendar will be your "go-to" guide when searching for important San Diego energy events. Please contact SDREO at: sdreo@sdenergy.org if you would like to post your energy event on the SDREO Energy Events Calendar.

SDREO also continues to utilize television, radio and print media to educate the public on energy efficiency and conservation.

SDREO has provide information for articles that have appeared in the San Diego Union on energy efficiency for the public along with numerous radio and television appearances that stress public education and understanding of energy efficiency to preserve our natural resources.

SAN DIEGO REGIONAL ENERGY LEADERSHIP AWARDS

To recognize innovative energy projects and programs that benefit the San Diego region through energy cost savings and air pollution reduction, the San Diego Regional Energy Office (SDREO) sponsors the San Diego Regional Energy Leadership Awards. The award is designed to recognize San Diego businesses, government entities or non-profit organizations for outstanding

research, development or application of innovative energy-related technologies, policies or programs that benefit the region.

The Energy Leadership Awards are an opportunity to highlight the accomplishments of specific organizations that have contributed to the tremendous progress the region has made toward the goals set out in the San Diego Regional Energy Plan. The Regional Energy Plan, adopted by the San Diego Association of Governments in 1994, is a blueprint of energy policies and actions that can realize cumulative energy cost savings of nearly \$1.5 billion, the creation of over 5,000 new jobs in energy efficiency services and the elimination of about 1/2 million tons of air pollutants.

THE SAN DIEGO REGIONAL ENERGY WEBSITE

The organization maintains and continually updates their website at www.sdenergy.org. This website allows consumers to obtain information on Energy Pricing information, access to energy conservation programs for their home and business, access to resources offering electric pricing information, access to relevant documents and information on energy supplies and industry restructuring, information and programs on energy efficiency and the environment in homes and offices including building planning to help the environment, renewable energy, developing new technologies to promote energy efficiency and preserving our natural resources, and use of clean fuels and electric vehicles and solar power.

PARTICIPATION AND/OR SPONSORSHIP OF ENERGY EFFICIENCY PROGRAMS:

- **The 6th National Clean Cities Conference: San Diego, California, May 7-10, 2000.**

The SDREO was a key partner in promotion and participating in this program to provide information on clean air, energy efficient fuels, more efficient transportation programs and vehicles, alternate fuel sources. The Clean Cities is a program sponsored by the U.S Department of Energy which is designed to encourage the use of alternative fuel vehicles (AFVs) and their supporting infrastructure throughout the nation. By encouraging AFV use, the Clean Cities program will help achieve energy security and environmental quality goals at both the national and local levels. Unlike traditional command-and-control programs, the Clean Cities program takes a unique, voluntary approach to AFV development, working with coalitions of local stakeholders to help develop the AFV industry and integrate this development into larger planning processes.

- **California Public Utilities Commission Roundtable: Energy Market and Infrastructure Issues in San Diego, California.**

SDREO participated in a round table discussion along with San Diego Gas & Electric, the League of Women Voters, the California Alliance for Distributed Energy Resources and several other organizations to discuss energy reliability issues including potential for power outages, energy resource opportunities, and the reliability of services to the general public.

The SDREO will continue to seek to expand its website and opportunities to promote energy efficiency, education and planning to promote the conservation of our natural resources.

SDREO's Pathways to Energy Solutions Calendar of Events

Distributed Generation Opportunities and Challenges
September 27, 2000

Electricity Market Update and Opportunities for Direct Access
October 13, 2000

Solar Tour of Homes 2000
October 14, 2000

Solar Energy Design for Architects and Engineers
October 16-17, 2000

Energy Efficiency Grant Opportunities – AB970
November 14, 2000

Cool Communities: Reducing Urban Heat Islands
Quarter 1 2001

Landfill Gas Generation
Quarter 1 2001

Energy Leadership Forum
Quarter 1 2001

Real-Time Metering Strategies and Opportunities
Quarter 2 2001

Natural Gas Procurement Strategies
March 2, 2001

Border Energy Forum
Summer 2001

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EXHIBIT 2
PART 11 QUESTION 2
SOURCES OF FINANCIAL SUPPORT

The SDREO financial sources of support are primarily grants/contracts/contributions from government units and publicly supported organizations. These funds including funds from entities such as San Diego Gas & Electric are sourced in surcharges from the public and are NOT the company's own funds. Sources of grants and contributions include:

California Energy Commission

Department of Energy

San Diego Gas & Electric

San Diego Association of Governments

California Public Utilities Commission,

Environmental Protection Agency

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EXHIBIT 3
PART 11 QUESTION 3
FUNDRAISING**

SDREO obtains grants/contributions through a competitive bid process for government and /or publicly supported organizations grants/contributions instead of relying on fund raising.

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EXHIBIT 4

PART 11 QUESTION 4(a) & 4(b)
OFFICERS & DIRECTORS

OFFICERS:

President & Executive Director
Kurt J. Kammerer
San Diego Regional Energy Office
401 B St., Ste. 800
San Diego, CA 92101
ANNUAL COMPENSATION: \$108,000

Treasurer/Chief Financial Officer
Ron Yagura
C/o San Diego Transit
100 16th St.
P.O. Box 2511
San Diego, CA 92112
NO COMPENSATION

Secretary
Mark Nelson
C/o Sempra Energy
101 Ash St.
San Diego, CA 92101
NO COMPENSATION

DIRECTORS

David Rohy- Director
8639 Warmwell Drive
San Diego, CA 92119
NO COMPENSATION

Alan Sweedler- Director
San Diego State University
San Diego, CA 92812

Elliot Parks- Director
709 Kalamath Dr.
Del mar, CA 92014
NO COMPENSATION

Lois Friedlander- Director
401 B St., Ste. 800
San Diego, CA 92101
NO COMPENSATION

Pam Slater- Director
401 B St., Ste. 800
San Diego, CA 92101
NO COMPENSATION

Mary Salas- Director
401 B St., Ste. 800
San Diego, CA 92101
NO COMPENSATION

Mark Nelson- Director
C/o Sempra Energy
101 Ash St.
San Diego, CA 92101
NO COMPENSATION

Ron Yagura- Director
C/o San Diego Transit
100 16th St.
P.O. Box 2511
San Diego, CA 92112
NO COMPENSATION

Buz Schott- Director
401 B St., Ste. 800
San Diego, CA 92101
NO COMPENSATION

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EXHIBIT 5
PART 11 QUESTION 4(c)

Two Board members serve by virtue of their status as public officials: Supervisor Pam Slater and Councilmember Mary Salas are both appointees by SANDAG. Current, Board members are appointed by one of the three founding organizations: SDSU Foundation, SDG&E and SANDAG (each appoint 4), and 4 can be appointed by any Board member as an "at large" member. Our future governance structure will broaden governance to other regional bodies (e.g. Chamber of Commerce, EDC).

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EXHIBIT 6
PART 11 QUESTION 7

Financial Accountability: SDREO has contractual relationships with various government and private organizations such as the Department of Energy (DOE), California Energy Commission (CEC), and SDG&E. All vary significantly in their scope and tasking, but usually promote various public energy programs, like energy efficiency, or renewable energy, and have requirements for various periodic and final reports. Although SDREO is accountable in the context of these contracts and programs, SDREO is not accountable to any of these organizations as an organization.

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EXHIBIT 7
PART 11 QUESTION 10b**

SDREO has entered into a Letter of Intent to become an actual lease for SDREO to sublease space from SANDAG, the San Diego Association of Governments under commercial reasonable terms. This space was previously occupied by SDREO prior to its formation as a non-profit public benefit corporation when it subject to SANDAG. However, since SDREO currently occupies the space and desires to continue to do so, it made fiduciary and financial sense to enter into a sublease with SANDAG to allow SDREO to continue to occupy these spaces. A copy of the Letter of Intent in attached to this exhibit.

January 12, 2001

LETTER OF INTENT

It is the intention of the San Diego Association of Governments (SANDAG) and the Regional Energy Office (REO) to cooperatively negotiate a sublease agreement for REO to occupy space in the SANDAG offices located at 401 B Street, San Diego, California, and for SANDAG to provide desired tenant services to REO. The terms and conditions are as follows.

The desired space, as delineated in Attachment A, is comprised of approximately 1,790 square feet of the 7th floor SANDAG offices. The anticipated occupancy date of the space is February 1, 2001. The beginning rate charged per square foot would be SANDAG's current rate of \$1.65 per square foot, with an increase on July 1, 2001 to \$1.70 per square foot and an additional annual five cent per square foot increase on subsequent years on July 1 through 2004, at which time SANDAG's current lease ends.

In addition, associated building operating expenses (such as utilities, janitorial services, taxes, etc.), as determined by SANDAG's current lease, which reflect actual building operation expenses, would be shared by REO on a pro rata basis. The term of the sublease shall be for 44 months assuming a February 1, 2001 commencement date and a termination date of September 30, 2004, however, SANDAG or REO could terminate the agreement by giving six-month notice to the other party.

The desired tenant services provided by SANDAG to REO would be outlined in a separate service agreement and provided on a full cost recovery basis. Attachment B contains a listing of potential services. Services usage could be evaluated on an annual basis.

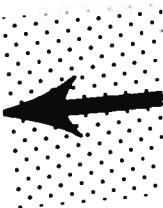
Parking shall be at REO's cost. SANDAG will make available two spaces in the building garage from its allocation, at the current market rate of \$125.00 per space per month.

This Letter of Intent will define the respective intentions and requirements of SANDAG and REO to reach a cooperative agreement. Upon execution of this Letter of Intent, a sublease and services agreement will be prepared for execution.

BOB PARROTT
Interim Executive Director, SANDAG

KURT KAMMERER
Executive Director, REO

BP/SR



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EXHIBIT 8
PART 11 QUESTION 12(a) & (b)

SDREO competes with private and other non-profit corporations for grants and contributions from various publicly supported organizations, government units and the general public in a closed bid processes. These funds including funds from entities such as San Diego Gas & Electric are sourced in surcharges from the public and are NOT the company's own funds. **Some public good energy programs have no limitations. Like SDREO's public outreach and education programs as listed on Exhibit 1.** Some program have technical limitations and applicability, so they are limited to certain customers.

For instance, the information available on the website is free to all members of the public. However, For example, a large program for 2001 is the California Energy Commission (CEC) Energy Efficient Roof Program. The Program itself as established by the CEC has its own limitations [from <http://www.energy.ca.gov/efficiency/ab970/>]:

Eligible Applicants for Incentives

Building owners and property managers with authority to make decisions associated with building repairs.

Eligible Projects for Incentives

All projects must meet specific criteria in order to be eligible for incentives. The following are requirements for project eligibility:

Building Type

All non-residential or residential occupancies with mechanical (vapor-compression) cooling system operation from June through September. While low-sloped roofs are most viable due to the variety of cool surface products available and the higher reflectance they provide, exceptions may be granted for sloped roofs by the Regional Contractor, following written approval by the Commission Contract Manager, on a case-by-case basis.

Geographic Region

All California climate zones except 1 and 16 (no restrictions within San Diego County).

Initial Roof/Duct

Reflectivity is less than or equal to 30% for roofs

Reflectivity is less than or equal to 45% for ducts

Roof assembly R-value of no less than R-10 (estimated aged value) at time of cool surface application

Roof assembly R-Value of no more than R-30 (estimated aged value)

Duct R-Value of no more than R-2.1

Underlying surface shall be in compliance with all applicable codes and standards prior to cool surface application. Roof or duct surfaces that require improvements prior to the cool surface application will not be eligible until such time as those surfaces are brought up to the condition required by the cool surface manufacturer for warranty purposes.

Final Roof/Duct

Reflectivity of greater than or equal to 65% (in accordance with ASTM E-903 for materials fabricated by the manufacturer; ASTM E-1918 for coating materials) AND an emittance value of greater than or equal to 80% OR a minimum SRI of 75%.

Roof assembly R-Value of no more than R-30 (estimated aged value)

Duct R-Value of no more than R-8

Manufacturer provides written, 10-year warranty (materials)

Contractor provides written, 5-year minimum warranty (installation)

Cool surface application meets all applicable codes and standards

Cool surface application meets all Commission Installation and Material selection criteria.

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EXHIBIT 9
PART 11 QUESTION 13 & 14

Question 13: SDREO follows and may spend a small amount of time and money educating legislators and influencing certain positions in the interest of the public good. Estimate of time: 10-15 person days per year, \$5,000-10,000. This allocation of the budget is less than 1 percent of the total budget for SDREO and is only a very minor portion of the organization's activity and is limited in scope furthering its goal of providing energy education and information to the general public and provide energy planning to promote the conservation of our natural resources.

Question 14: SDREO is a source of public education on energy efficiency and conservation of our natural resources through planning and education. Literature on the SDREO website is not designed nor intended to be used by SDREO to intervene in any political campaign. The information on the website is limited to information in keeping with its exempt purpose.

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EXHIBIT 10
PART IV FINANCIAL DATA**

**SEE ATTACHED SPREADSHEET AND SUPPORTING DOCUMENTS CONCERNING
THE ORGANIZATION'S BUDGET AND PROPOSED BUDGET FOR 2002 AND 2003.**

	1998	1999	2000	2001	TOTAL 2001	2002	2003	2004	2005
REVENUES	\$ 35,000	\$ 413,374	\$ 677,521		\$ 3,338,995	\$ 3,575,980	\$ 3,725,980	\$ 3,955,980	\$ 4,455,980
Event Fees				3,000	\$ 3,000	\$ 3,750	\$ 4,688	\$ 5,859	\$ 7,324
Interest					\$ 5,500	\$ 6,016	\$ 6,727	\$ 7,279	\$ 8,151
(Rate)	5%								
Total Revenues					\$ 3,347,495	\$ 3,586,746	\$ 3,737,394	\$ 3,969,118	\$ 4,471,455
Reserves		\$ 110,000		\$ 110,000	\$ 110,000	\$ 120,315	\$ 134,538	\$ 145,578	\$ 163,016
EXPENSES									
				DIRECT	PROPOSED INDIRECT				
Personnel									
Salaries and Wages									
K. Kammerer	0.50			\$ 56,879	\$ 56,879	\$ 113,757	\$ 116,032	\$ 118,353	\$ 120,720
S. Sides	0.10			\$ 63,788	\$ 7,088	\$ 70,875	\$ 72,293	\$ 73,758	\$ 75,213
S. Anders	0.10			\$ 49,136	\$ 5,460	\$ 54,596	\$ 55,688	\$ 56,802	\$ 57,938
D. Wicks	0.50			\$ 17,640	\$ 17,640	\$ 35,280	\$ 35,986	\$ 36,705	\$ 37,439
Proj Mgr	0.00			\$ 60,000	\$ -	\$ 60,000	\$ 61,200	\$ 62,424	\$ 63,672
Proj Tech	0.00			\$ 55,000	\$ -	\$ 55,000	\$ 56,100	\$ 57,222	\$ 58,366
Mktg Asst	0.50			\$ 19,000	\$ 19,000	\$ 38,000	\$ 38,760	\$ 39,535	\$ 40,326
Sub-Total			\$ 261,436	\$ 321,442	\$ 106,066	\$ 427,508	\$ 436,058	\$ 444,779	\$ 453,675
Fringe Benefits	34%		\$ 88,888.27	\$ 109,290.42	\$ 36,062.30	\$ 145,353	\$ 148,260	\$ 151,225	\$ 154,249
TOTAL SALARY AND FRINGE			\$ 350,324.27	\$ 430,732.42	\$ 142,128	\$ 572,861	\$ 584,318	\$ 596,004	\$ 607,924
G&A	69%					\$ 221,785	\$ 226,231	\$ 230,756	\$ 235,371
TOTAL SALARY AND FRINGE (Fully Burdened)						\$ 794,646	\$ 810,549	\$ 826,760	\$ 843,295
Employees			4		6	8	10	12	14
Office Space (sq-ft)	Per Person		325		1,950	1,950	2,600	3,250	3,900
				DIRECT	INDIRECT				
Non-Personnel									
Office Supplies				\$ 1,000	\$ 1,700	\$ 2,700	\$ 2,754	\$ 2,809	\$ 2,865
Postage				\$ 1,000	\$ 2,500	\$ 3,500	\$ 3,570	\$ 3,641	\$ 3,714
Contractual Services				\$ 210,000	\$ 15,000	\$ 225,000	\$ 229,500	\$ 234,090	\$ 238,772
Data Processing				\$ 3,000	\$ 1,000	\$ 4,000	\$ 4,080	\$ 4,162	\$ 4,245
Web Site				\$ 15,000	\$ 10,000	\$ 25,000	\$ 25,500	\$ 26,010	\$ 26,530
Graphics & Reports				\$ 12,000	\$ 2,500	\$ 14,500	\$ 14,790	\$ 15,086	\$ 15,388
Temporary Employees				\$ 6,000	\$ -	\$ 6,000	\$ 6,120	\$ 6,242	\$ 6,367
Pass-through Funds (Note 1)				\$ 2,102,000	\$ -	\$ 2,102,000	\$ 2,330,000	\$ 2,460,000	\$ 2,660,000
Equipment Maintenance				\$ -	\$ 500	\$ 500	\$ 510	\$ 520	\$ 531
Transportation Allowance				\$ -	\$ 1,000	\$ 1,000	\$ 1,020	\$ 1,040	\$ 1,061
Travel				\$ 10,000	\$ 5,000	\$ 15,000	\$ 15,300	\$ 15,608	\$ 15,918
Parking	3			\$ -	\$ 4,500	\$ 4,500	\$ 4,590	\$ 4,682	\$ 4,775
Meeting & Misc Expense				\$ 3,500	\$ 1,884	\$ 5,384	\$ 5,471	\$ 5,560	\$ 5,651
Memberships				\$ -	\$ 3,500	\$ 3,500	\$ 3,570	\$ 3,641	\$ 3,714
Rent, Facilities				\$ -	\$ 23,447	\$ 23,447	\$ 23,916	\$ 24,395	\$ 24,883
Rent, Vehicles				\$ -	\$ 7,500	\$ 7,500	\$ 7,650	\$ 7,803	\$ 7,959
Rent, Duplicating Equipment				\$ -	\$ -	\$ -	\$ 0	\$ 0	\$ 0
Rent, Office Equipment				\$ -	\$ 1,000	\$ 1,000	\$ 1,020	\$ 1,040	\$ 1,061
Office Furniture				\$ -	\$ 4,600	\$ 4,600	\$ 4,692	\$ 4,788	\$ 4,879
Insurance-SDREO				\$ -	\$ 8,000	\$ 8,000	\$ 8,160	\$ 8,323	\$ 8,490
Insurance- SANDAG (Liability)				\$ -	\$ 1,200	\$ 1,200	\$ 1,224	\$ 1,248	\$ 1,273
Telephone				\$ -	\$ 5,891	\$ 5,891	\$ 6,009	\$ 6,129	\$ 6,251
Operation and Maintenance				\$ -	\$ 500	\$ 500	\$ 510	\$ 520	\$ 531
Photocopying/Duplicating Equipment Use				\$ -	\$ 3,982	\$ 3,982	\$ 4,061	\$ 4,143	\$ 4,226
Event fees				\$ 3,000	\$ -	\$ 3,000	\$ 3,060	\$ 3,121	\$ 3,184
Legal Fees				\$ -	\$ 6,000	\$ 6,000	\$ 6,120	\$ 6,242	\$ 6,367
Accounting Fees				\$ -	\$ 36,000	\$ 36,000	\$ 36,720	\$ 37,454	\$ 38,203
Audits				\$ -	\$ 8,000	\$ 8,000	\$ 8,160	\$ 8,323	\$ 8,490
Payroll Services				\$ -	\$ 840	\$ 840	\$ 857	\$ 874	\$ 891
Interest Paid on Loans				\$ -	\$ -	\$ 2,000	\$ 2,040	\$ 2,081	\$ 2,122
Other Direct Costs				\$ -	\$ -	\$ -	\$ 0	\$ 0	\$ 0
Sub-Total		\$ 2,117,320	\$ 19,728	\$ 2,368,500	\$ 156,024	\$ 2,542,524	\$ 2,760,974	\$ 2,899,594	\$ 3,108,388
TOTAL				\$ 2,797,233	\$ 298,152	\$ 3,337,180	\$ 3,571,523	\$ 3,726,354	\$ 3,951,681
Calculated G&A				69%					
Projected Budget Excess/Deficit						\$ 10,315	\$ 14,222	\$ 11,041	\$ 17,437
Notes									
1. Pass through funds are incentives/rebates for various energy efficiency measures for commercial and residential buildings.									

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EXHIBIT 11
ARTICLES OF INCORPORATION AND BY LAWS**