



## **Sempra Energy Hails Federal Court Decision Allowing For Continued Operation Of Mexico Plant**

SAN DIEGO, Calif., July 9, 2003 - Officials of Sempra Energy Resources, the power generation subsidiary of Sempra Energy (NYSE:SRE), today hailed a U. S. District Court decision late Tuesday rejecting a legal attempt by environmental organizations to halt operations of the company's new, 600-megawatt (MW) natural gas fueled power plant in Mexicali, Baja California, Mexico.

"We are very pleased with the court's order to continue plant operations and we are confident that the environmental effects of the Mexicali power plant will pass any further review or study," said Michael R. Niggli, president of Sempra Energy Resources. "It is designed to be one of the cleanest power plants in North America and was built to meet California's tough air-emissions-control technology requirements. We voluntarily spent \$20 million to add sophisticated emissions-control technology."

On May 2, 2003, the federal court found that the environmental assessment associated with the presidential permit issued by the Department of Energy (DOE) and the right-of-way grant issued by the Bureau of Land Management allowing for the construction of the cross border power lines had adequately addressed issues dealing with public health impacts and some air-emissions issues of the plant and power lines. But, the court also found that some air and water-emissions impacts were not adequately studied.

In her July 8 decision, Judge Irma E. Gonzalez provides for the continued operation of Sempra Energy Resources' Termoelectrica de Mexicali power plant and a competitor's Mexicali generation unit and calls for the DOE to conduct additional environmental studies that satisfy the requirements of the National Environmental Policy Act. The DOE has until May 15, 2004, to demonstrate why the court should not set aside the presidential permit.

Sempra Energy Resources' Mexicali power plant produces power cleaner and more efficiently than most U.S. fossil-fuel plants, including those in nearby San Diego and Imperial counties. During start-up procedures over the past few months the new plant has been generating power and sending it over a nine-mile transmission power line to U.S. consumers.

"We are entering the region's peak-demand season for electricity and power from our plant is needed in California and the Pacific Southwest," Niggli said.

On May 28, 2003, the state agency in charge of electric reliability, the Independent System Operator, declared its first Stage One power emergency of the warm-weather season, meaning power reserves had dipped to unsatisfactory levels.

Termoelectrica de Mexicali is one of three new Sempra Energy Resources power-generating facilities that the company has brought online over the past month. The other two projects are Mesquite Power, a 1,250 MW project located near Phoenix and the jointly owned Elk Hills Power, a 550 MW plant near Bakersfield, Calif. The first 625 MW of Mesquite Power is operating with the second half of the facility slated to commence power production in late 2003.

A megawatt is enough power to meet the needs of 750 to 1,000 homes.

Sempra Energy Resources -- a subsidiary of Sempra Energy Global Enterprises, the umbrella for Sempra Energy's growth businesses -- develops and operates power plants and energy infrastructure for the competitive market.

Sempra Energy (NYSE: SRE), based in San Diego, is a Fortune 500 energy services holding company with 2002 revenues of \$6 billion. The Sempra Energy companies' 12,000 employees serve more than 9 million customers in the United States, Europe, Canada, Mexico, South America and Asia.

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