



Statement of Policy: Position on U.S. Energy

Applicability: All employees of Sempira and the Sempira Companies

Policy Statement

At Sempira, we believe that our businesses – which includes electric transmission and distribution as well as natural gas infrastructure, along with various renewable resources and emerging technologies – will play a critical role in enabling the transition to a lower carbon energy system. Furthermore, we believe that sound and stable governmental policies create the legal and regulatory framework for global economic development and human progress. Such policies are particularly important to the energy industry, given the long lead times and significant financial commitments often required with energy infrastructure investments. We believe that energy and environmental stakeholders, including consumers, regulators and policymakers must engage in a constructive dialogue to ensure that national energy policies improve society and reflect the realities of the energy market.

- Sempira believes in a holistic approach to broad energy policy that aligns with the relevant policies of the legislative and regulatory jurisdictions in which we operate (such as California’s goal to achieve economy-wide carbon neutrality by 2045 and the U.S. EPA’s methane rules) and important global multi-lateral collaborations, including the Paris Agreement’s goals of limiting average global warming to well below 2°C above preindustrial levels and pursuing efforts to limit the temperature increase to 1.5°C.
- We believe that access to energy has improved the lives of billions by enabling enhanced health care, greater food supply and technology innovations.
- We believe there are still a number of profound challenges facing communities around the globe, including the task of modernizing the world's energy infrastructure and delivering new energy resources.
- We believe our core competencies allow us to do more, to define and build tomorrow’s lower-carbon energy system without sacrificing safety, affordability, reliability or resilience.
- We advocate for a holistic approach in delivering the energy transition, and believe the global climate challenge falls into two broad categories: (i) the need to continue decarbonizing the mature economies of the developed world; and (ii) the concurrent need to diversify and decarbonize emerging markets, while solving energy poverty.
- We advocate for a balanced policy approach in support of that energy transition, one that provides safe, clean, affordable and reliable energy for consumers. We support national energy policies that promote supply diversity, technological innovation, energy efficiency and sound environmental stewardship.
- We believe that we can develop energy resources while also protecting the environment. Both of these objectives can and must be achieved to power our economy, preserve and create jobs and protect our quality of life.



- We support global energy policies that address both climate change and energy in a coordinated manner. Over the next 30 years, energy systems will need to change dramatically to meet local, regional, and global climate goals. This includes a universal focus on decarbonizing the industrial, transportation and power generation sectors. In combination, these sectors account for more than 32 gigatons of energy-related emissions. Decarbonizing these sectors means that grids will need to expand, along with zero-carbon electrons and molecules working in tandem.
- We support the efficient use of energy, including in the transportation sector where electric and natural gas vehicles play an increasingly important role. Greater energy efficiency improves energy security and reduces environmental impacts.
- We believe that government support of technology development is essential. Government investment in technical education as well as research and development encourages the advancement of emerging energy technologies, which often have a high level of technical risk and long lead times to market.
- We support the implementation of stable and sensible tax policies that encourage investment in energy infrastructure and spur innovation in nascent technologies.
- We advocate for sensible and consistent regulation of our industry. Changing, excessive, duplicative and potentially conflicting regulations can increase costs, delay government approvals and adversely impact investment decisions; all of which increase consumer energy prices.

We further advocate for a free and fair-trade policy that breaks down foreign barriers to U.S. goods and services and addresses unfair foreign trade practices and imports. Our economy and national security benefit from the export and import of energy resources such as liquefied natural gas (LNG).

Definitions

Sempra Company: A subsidiary or other entity as to which Sempra has majority ownership and control.