Position on U.S. Energy Policy

Responsible Officer: Executive Vice President, Corporate Strategy and External Affairs

Applicability: All employees of Sempra Energy and its business units

At Sempra Energy, 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.

- We advocate for a balanced policy approach 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 national economy, preserve and create jobs and protect our quality of life.

- We also believe U.S. policy should address both climate change and energy in a coordinated manner. Natural gas, renewable energy and developing new energy technologies, like batteries should play a central role in U.S. climate and energy policy.

  - Natural gas is abundant and affordable in the United States – and can be foundational to meeting our nation’s energy and climate change goals. Increased usage of natural gas is driving down emissions and facilitating the growth of renewables by providing a round-the-clock source of generation to back up the intermittent nature of wind and solar resources. With a nearly 100-year supply of natural gas, the U.S. has become the number one producer of this energy source. We believe the country should promote policies that expand the use of natural gas in the electric power and transportation sectors; and allow exports to other countries.

  - Demand for renewable energy continues to grow as advances in technology drive down costs.

  - Improvements in battery storage allow consumers and companies in the energy and transportation sectors to store more energy at a lower cost, for use when it is needed.
• 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).