Welcome to your CDP Climate Change Questionnaire 2021

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Sempra (referred to in this questionnaire as "Sempra" or the "Company") is a California-based holding company with energy infrastructure investments in North America and 2020 revenues of $11.4 billion. We and our family of companies invest in, develop and operate energy infrastructure and provide electric and gas services to customers through regulated public utilities. We operate in what we believe are the most attractive markets in North America: California, Texas, and Mexico. Our businesses position us at the intersection of two broad trends: innovation in energy technology and infrastructure; and growing demand for lower-carbon energy. Sempra is committed to driving responsible strategies to meet the evolving market need for sustainable, resilient and affordable energy. This is critical to our ability to deliver long-term, sustainable value to our shareholders and other stakeholders. Our operating companies include:

- San Diego Gas & Electric Company (SDG&E), is a regulated public utility that provides electric services to, at December 31, 2020, ~3.7M consumers and natural gas services to ~3.4 million of those consumers, covering a service territory in Southern California that encompasses San Diego County and an adjacent portion of Orange County.
- Southern California Gas Company (SoCalGas), is a regulated public utility that owns and operates a natural gas distribution, transmission and storage system that supplies natural gas to, at December 31, 2020, ~22 million consumers, covering a service territory that encompasses Southern California and portions of central California (excluding San Diego County, the City of Long Beach and the desert area of San Bernardino County)

- Oncor Electric Delivery Company LLC (Oncor), is the largest regulated electric transmission and distribution company in Texas, working to provide safe and reliable service to ~10 million consumers.
- Infraestructura Energetica Nova, S.A.B. de C.V. (IEnova), develops, owns and operates, or holds interest in, energy infrastructure in Mexico in three key energy markets: gas, power and storage.
- Sempra LNG develops, builds, operates and invests in natural gas liquefaction export facilities, including natural gas pipelines and infrastructure, and buys, sells and transports natural gas through its marketing operations, all within North America.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years
Reporting year	January 1, 2020	December 31, 2020	No

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Mexico

United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Other, please specify

Operational control, but we also provide GHG data for the Cameron LNG facility where we have a 50.2% ownership share, but do not have operational control.

C-EU0.7

(C-EU0.7) Which part of the electric utilities value chain does your organization operate in? Select all that apply.

Row 1

Electric utilities value chain

Electricity generation
Transmission
Distribution

Other divisions

Gas storage, transmission and distribution
Smart grids / demand response
Battery storage
Micro grids

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	Sempra's Board of Directors' safety, sustainability and technology (SS&T) committee focuses on health, safety, security (including cybersecurity), technology, climate change, sustainability and other related environmental, social and governance (ESG) matters that affect the corporation, including employees, customers and the communities in which the Company operates. Six non-employee board members serve on the committee, which is briefed by the Company's compliance, technology, environmental, health, safety, security and sustainability officers and senior personnel. In 2020 and 2021, the board updated the charter of the SS&T Committee to strengthen and clarify the way in which the board oversees sustainability and other ESG matters. These changes included: expanding to more fully describe the committee's areas of oversight to include health, safety, security (including cyber security), technology, climate change, sustainability and other related ESG matters; adding language throughout the charter to more broadly reflect this oversight; describing the committee's role in liaising with other board committees to make recommendations to management and the board; adding language to clarify the committee's role in reviewing, evaluating and making recommendations to the board regarding technology applications that advance the company's health, safety, cyber security, climate change, sustainability and other ESG goals; and adding oversight responsibility for reviewing controls and procedures with respect to the creation of the annual sustainability report. As an example of decision-making related to sustainability, the SS&T committee was engaged in the development of the Company's framework for advancing the energy transition and emphasizing a climate-centered business strategy. This included specific greenhouse gas (GHG) emissions goals and key areas of investment that we expect will be central to global net-zero goals by 2050. We expect that investing in three key capabilities is needed: decarbonization, diversification and digitalization. As the Sempra family of companies develops and promotes new capabilities in these areas, it will help drive our ESG commitments to support long-term, sustainable value for all shareholders and our other stakeholders.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding business plans Monitoring and overseeing progress against goals and targets for addressing climate-related issues	Climate and related implications are woven into the fabric of corporate strategic planning. With significant environmental regulation and exposure to both climate related risks and opportunities, it is critical that these issues are monitored at the highest level. Risks include regulatory risk, transition risk, operational and physical risks (warmer weather, increasing drought, wildfire risk, and rising sea level over the longer term.) Opportunities include low- and zero-carbon energy infrastructure, international demand for liquefied natural gas (LNG), a lower-carbon alternative to traditional coal-fired generation, energy efficiency, cleaner transportation, energy storage, and the integration of new technologies such as renewable natural gas, hydrogen, and carbon capture, utilization and storage. The Board, primarily through the SS&T committee and sometimes at the full Board, oversees business strategies to mitigate the impact of Company operations on the environment, including climate change response and other sustainability matters. The Board's SS&T committee also reviews and evaluates issues related to the Company's preparedness for extraordinary weather-related events.

		During 2020, the committee held five meetings, including a specific meeting focused entirely on the Company's corporate sustainability report (CSR) and data contained therein, including ESG-related goals, environmental performance, greenhouse gas emissions, the Company's approach to climate change and related risks and opportunities, as well as sustainability reporting trends and investor interest in ESG issues.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Sustainability Officer (CSO)	Both assessing and managing climate-related risks and opportunities	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Sempra's Chief Sustainability Officer (CSO) reports directly to Sempra's CEO and serves also as Senior Vice President – Corporate Affairs. The VP of Sustainability reports to the CSO and has direct oversight of the CSR & sustainability team. The Sempra CSO has oversight of the annual sustainability reporting process, which includes goal-setting and ESG performance, as well as the aggregation of data and reporting of emissions performance and efforts related to climate. A parent company sustainability steering committee, comprised of officers from across the Company, was created in 2018. The committee works to align operating company sustainability efforts under the Sempra sustainability framework, develop goals for the Company and allows for a forum to share best practices in this area. Leaders at our operating companies oversee and drive climate management at their respective companies. Most of our operating companies also have chief sustainability officers and have developed executive-level sustainability steering committees to drive their response to climate-related issues.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity inventivized	Comment
Corporate executive team	Monetary reward	Emissions reduction project	In the 2020 performance-based annual bonus plan there were performance measures related to pipeline and storage integrity efforts, which help to reduce emissions and increase public safety in addition to fire hardening efforts that mitigate and reduce the risk of catastrophic wildfires in our service territory.
Other, please specify Certain management employees	Monetary reward	Emissions reduction project	In the 2020 performance-based annual bonus plan there were performance measures related to pipeline and storage integrity efforts, which help to reduce emissions and increase public safety in addition to fire hardening efforts that mitigate and reduce the risk of catastrophic wildfires in our service territory.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	
Medium-term	1	5	
Long-term	6	10	

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

The substantive financial and strategic impact of each identified risk is assessed and evaluated at various levels within the organization, including by line managers, officers and senior management teams in each operating company. There are four dimensions that we consider when evaluating risk: health, safety and environmental; operations and reliability; regulatory, legal and compliance; and financial impact. What is considered substantive is evaluated from each of these perspectives (at the operating company level and rolled up into the overall enterprise risk management process), which will vary by risk type.

The health, safety and environmental dimension assesses potential hazards to employees, the public, and the environment.
The operations and reliability dimension assesses potential disruptions to Company operations that would impact customers.
The regulatory, legal and compliance dimension assesses potential sanctions imposed by regulators or legal judgments.
The financial dimension assesses potential financial losses.

It is Sempra's approach to work to mitigate impacts, even for those that may fall below the threshold of substantive.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Risk management
Sempra and its family of companies identify, assess and, where possible, mitigate a broad and complex set of risks commonly associated with the energy industry, as well as risks specific to each company. A changing climate has regulatory, operational and reputational impacts on our business. Management of climate-related risks is integrated into the Company's overall approach to risk, is assessed throughout the year and covers our own operations, in addition to downstream and upstream impacts. At the parent company level, the Sempra Board and the Compliance and Enterprise Risk Committee provide oversight on all identified risk areas. Risk management teams at each operating company and the parent company lead an established enterprise risk management program to assess risks using risk maps and other tools that help identify and monitor business risk exposure. To evaluate these risks, we look at different scenarios including the impact of regulatory

frameworks and the introduction of technologies that could lead to market changes. We also consider different scenarios related to changes in the physical environment, including models of sea-level rise and extreme weather events.

Issues are identified by their ability to impact each of our company's core business through impacts on operational costs, costs to customers, or reputation. For example, to identify issues related to regulatory schemes, we conduct sensitivity analyses allowing us to estimate the level of risk associated with different scenarios. We also monitor climate-related risks, increasingly volatile weather, impacts on insurance markets, corporate and emergency preparedness, increasing legal and regulatory pressures for reform, as well as public and investor concerns. This serves to identify issues to be monitored on an ongoing basis. Internally developed scoring matrices are consistently used across the enterprise. The substantive impact of each identified risk is assessed and evaluated at various levels within the organization, including by line managers, officers and senior management teams in each business.

Some climate-related risks are shorter term, such as preparing for a wildfire season exacerbated by drought. Others are medium-term, such as meeting a regulatory target to promote safety, increase operational efficiencies or avoid penalties or fines. Others, such as the potential impact of sea-level rise, are longer-term. We consider these and other risks as we plan capital expenditures. SDG&E employs full-time meteorologists, prepares for adverse weather and related impacts, and conducts and reviews studies to assess the degree to which climate change poses a threat to infrastructure, employees and customers. We routinely plan for impacts to a variety of stakeholders; and review, monitor and adjust insurance coverage as necessary and to the extent the market permits, sharing and transferring risk when and where possible, in addition to other risk mitigation activities.

Physical climate risk example:
Rising temperatures, drought conditions, increased frequency of extreme weather and sea-level rise can impact our operations. We have increased our resilience by incorporating climate projections into our planning process. This includes determining the impact of rising temperatures on the efficiency and durability of natural gas and electric infrastructure; understanding how sea level rise and floods might impact our facilities; and evaluating the potential for more severe drought conditions and increased wildfire frequency. We are mitigating these risks by strengthening our infrastructure. This includes repositioning some electric lines underground; converting certain power poles from wood to steel; keeping trees properly trimmed; shutting off power to some areas when certain high-risk conditions occur; and reducing our reliance on fresh water due to water scarcity in the Southwestern United States and northern Mexico, among other actions . As an example, SDG&E's and IEnova's collective 5 natural gas-fired power generation facilities located in these areas are using dry-cooling and reclaimed water as an alternative to fresh water, saving nearly 2 billion gallons of fresh water in 2020 alone. Fresh water comprises less than 1% of our total water withdrawn.

Identifying opportunities
Company leaders assess a wide range of risks and opportunities – including climate-related – as they review capital investments and growth prospects. Sempra's full Board participates in an annual strategic planning process to discuss business opportunities. In 2018, we laid out a strategic plan centered on the mission of becoming North America's premier energy infrastructure company. The past two years have been transformational as we sharpened our focus on what we believe are the most attractive growth markets in North America, simplified our business model and strengthened our balance sheet. As part of this strategic plan, we are focused on the delivery of cleaner and more secure forms of energy to consumers in North America as well as abroad. Our parent company-level strategy group is integral in assessing opportunities for the Company and is focused on areas that align with our mission and facilitate the clean energy transition in all of the markets we serve. Our corporate sustainability steering committee and operating company sustainability committees also provide a mechanism for the discussion of opportunities related to sustainability and climate.

Transition opportunity example:
As part of our ongoing process to assess risks and opportunities related to our business, we monitor regulatory and market trends, which include the transition to cleaner fuels as society aims for net-zero by 2050. Earlier this year, Sempra released its framework for the energy transition, including our goal to achieve net zero GHG emissions across all scopes by 2050. To achieve this we plan to focus on opportunities in decarbonization, diversification and digitalization. As we promote new capabilities and invest in these areas, it will help drive our ESG commitments to support long-term, sustainable value for all shareholders and other stakeholders. One area of focus is renewable natural gas (RNG), which is natural gas from the decomposition of organic matter. As an interim goal along the path to net zero, SoCalGas has set a goal to deliver 20% RNG to core customers by 2030. Through efforts to expand the use of RNG from farms, dairies, livestock, wastewater treatment plants and landfills, SoCalGas is on target to deliver 5% by 2022 and is currently on pace to meet the 2030 goal.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	As part of Sempra's Enterprise Risk Management (ERM) program we assess and address adverse environmental impacts including those related to climate. Our operating companies are subject to energy, climate and environmental laws and regulation that are evaluated as part of our ERM program. As an example, California's Renewable Portfolio Standard (RPS) requires 60% of electricity delivered to SDG&E customers to come from renewable or zero carbon sources of energy by 2030, with interim targets in prior years. If SDG&E does not meet RPS goals, it could face potential fines and penalties. SDG&E developed an action plan to comply with the regulation and mitigate the risk associated with noncompliance. SDG&E developed a procurement strategy designed to meet or exceed the RPS target and in 2020 approximately 42% of the electricity SDG&E delivered to customers came from renewable sources.
Emerging regulation	Relevant, always included	Sempra's ERM program addresses emerging environmental regulations, including those related to climate in its risk universe. Emerging energy, climate and environmental regulations are assessed and evaluated. California's Senate Bill 100 (SB 100), which creates the policy of meeting all of California's retail electricity supply with a mix of RPS program-eligible and zero-carbon sources by 2045, also includes stipulations that this policy not result in increased carbon emissions elsewhere in the western grid and not allow resource shuffling, and requires that the California Public Utilities Commission (CPUC), the California Energy Commission (CEC), California Air Resources Board (CARB) and other state agencies incorporate this policy into all relevant planning. In addition to signing SB 100 into law, the then-Governor of California also signed an executive order establishing a new state-wide goal to achieve carbon neutrality as soon as possible, and no later than 2045, and achieve and maintain net negative emissions thereafter. The executive order calls on CARB to address this goal in future scoping plans, which affect several major sectors of California's economy, including transportation, agriculture, development, industrial and others. California recently issued new climate initiatives in line with this state-wide goal, including two executive orders requiring sales of all passenger vehicles to be zero-emission by 2035. We are closely monitoring regulations to understand any potential impacts to our business.
Technology	Relevant, always included	Sempra's ERM program also considers the impact of transition risk and new technologies. Given the importance of technology to our operating companies (smart meters, smart grid, time-of-use rates, solar net metering, energy storage and battery technology) and a future that could involve further digitalization, our risk assessments include energy, IT and

		cybersecurity technologies that are critical to our Company in addition to technologies that could disrupt our current way of doing business and require adaptation. For example, Sempra recently released its framework for the energy transition and goal to reach net zero GHG emissions by 2050. Over the next 30 years, energy systems will need to change dramatically to meet local, regional and global climate goals. Innovation and new technologies will be central to society's net-zero goal by 2050, and we expect that investments in three key capabilities are needed: decarbonization, diversification, and digitalization. While we have outlined areas of focus under these three key areas, technology developments in the energy industry are rapidly occurring and we must constantly monitor how this impacts our business.
Legal	Relevant, always included	The Company's ERM program reviews adverse environmental impacts, including those related to climate in its risk universe. The impact of individual risks can range from health/safety/environmental and operational and/or reliability claims, to regulation and compliance claims. Legal risks evaluated include claims related to natural disasters that are magnified by climate change. For example, our infrastructure in California is vulnerable to wildfires because of increasing drought conditions and high temperatures. The 2007 wildfires in SDG&E's service territory resulted in over $2 billion in settled claims, of which approximately $350 million was not recovered from insurance, rates paid by customers or settlements with third parties.
Market	Relevant, always included	Climate-related concerns are leading to rapid market changes in the energy industry. As one example, Sempra LNG is an owner of one operational LNG liquefaction terminal, an additional facility is under construction and other projects are in the development phase. If and when completed, these projects could allow for the export of this cleaner fuel to markets where they can help to displace coal and reduce emissions. However, market changes such as a higher penetration of alternative fuels for power generation or calls to limit or eliminate reliance on natural gas could reduce demand for LNG and impact the overall success of these projects. This is considered as part of our risk assessment process.
Reputation	Relevant, always included	Reputational risk is evaluated in our risk assessment process. In particular, customers of SDG&E, SoCalGas and Oncor are price sensitive and may react negatively to utility bill increases as measures to reduce GHG emissions are fully implemented. In addition, there could be a possible perception by the community that we are not moving fast enough to transition to lower-carbon resources or to mitigate impact of natural disasters magnified by climate change. One way we work to mitigate these risks is by offering customers choice- for example through the EcoChoice program at SDG&E, customers can now choose to get up to 100% of their energy from renewable sources. Using an online calculator, an interested customer estimates their monthly costs and enrolls in the program (sdge.com/EcoChoice); SDG&E purchases renewable power specifically for EcoChoice customers; and the customer begins receiving power attributable to renewable

		sources. In addition, in late 2020 the CPUC approved SoCalGas and SDG&E's request to offer a voluntary renewable natural gas tariff, which will allow households and business to purchase RNG, the only renewable energy source that can be carbon negative, from the utilities.
Acute physical	Relevant, always included	As part of Sempra's Enterprise Risk Management program, we include an environmental category in our risk universe to address adverse environmental impacts, including those related to climate. The impact of individual risks is assessed in the following areas: Health/Safety/Environmental, Operational and Reliability, Regulation/Legal/Compliance, Financial. One of the primary acute physical risks is the potential for wildfires impacting our communities and infrastructure. Increasing drought conditions in California are increasing the risk of devastating wildfires. We have already experienced this in the San Diego region where SDG&E operates, and it is a factor that is always considered in risk assessments. SDG&E has long been recognized as a leader in wildfire innovation and weather science and continues to invest in fire hardening to support public safety. Since 2007, SDG&E has continued to improve and build upon its wildfire mitigation efforts, culminating in the latest iteration of its wildfire mitigation program, "Fire Safe 4.0." As part of its efforts, SDG&E leverages an enhanced weather and camera network to measure fuel moisture and monitor chlorophyll in vegetation; artificial intelligence to identify smoke patterns and deploy push notifications; remote sensing to detect hot spots and link with cameras to provide alerts; risk-based decision tools to assess wildfire and public safety power shutoff risks; strategic hardening, such as undergrounding, covered conductor and falling conductor protection; community programs, including microgrids and generators to help keep communities energized, and a mobile app to help keep customers informed; and enhanced vegetation management within high fire threat districts .
Chronic physical	Relevant, always included	As part of Sempra's Enterprise Risk Management program, we include an environmental category in our risk universe to address adverse environmental impacts, including those related to climate. The impact of individual risks is assessed in the following areas: Health/Safety/Environmental, Operational and Reliability, Regulation/Legal/Compliance, Financial. A chronic physical risk that is considered in our risk assessment is the potential impact of sea level rise due to climate change. SDG&E and SoCalGas have infrastructure located in coastal areas and could be subject to infrastructure damage with coastal flooding and inundation. They are working to assess these risks, including through scenario planning. SDG&E and SoCalGas participated in a study conducted by the California Energy Commission analyzing the exposure of utility infrastructure to climate change-driven coastal wave flooding, tidal inundation, and coastal erosion.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation

Mandates on and regulation of existing products and services

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

Sempra's operating companies can face civil liability and criminal penalties, enforcement actions, financial fines and increases in operating costs if they fail to comply with federal and state air pollution limits and other environmental regulations. For example, under California's Renewable Portfolio Standard (RPS), SDG&E was required to contract 33% of electricity purchased on behalf of its customers from renewable sources by 2020. California SB 100 increases this requirement to 60% renewable energy delivered to customers by 2030 and 100% renewable or zero-carbon energy by 2045. SDG&E has gone from delivering less than 1% of power from renewable sources in 2002 to delivering an

average of 42% between 2017-2020, overcoming challenges as the renewables market has developed over this period. While SDG&E is on track to meet mandated goals, failure to comply could subject it to CPUC-imposed penalties, which could materially affect the business, cash flows, financial condition, results of operations and/or prospects of SDG&E. Per the CPUC decision D.18-05-026, section 3.5, the limit on the total amount of penalties for failure to comply with the RPS requirements is $100 million for 2021-2024; $75 million for 2025-2027; and $75 million for 2028-2030.

Time horizon

Short-term

Likelihood

Unlikely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

250,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Although SDG&E is on track to meet RPS goals, failure to comply could subject it to CPUC-imposed penalties. which could materially affect its business, cash flows, financial condition, results of operations and/or prospects. The limit on the total amount of penalties for failure to comply with the RPS requirements is $100 million for 2021-2024; $75 million for 2025-2027; and $75 million for 2028-2030. The $250,000,000

represents the maximum penalty that could result from non-compliance with the RPS requirements pursuant to the foregoing limits.

Cost of response to risk

600,000,000

Description of response and explanation of cost calculation

SDG&E has progressed from delivering less than 1% of power from renewable sources in 2002 to delivering an average of 42% between 2017-2020. SDG&E continues to procure renewable energy to meet targets. The $600 million represents SDG&E's annualized capital expenditures between 2018-2020 per the Final 2020 RPS plan. The market for renewable energy is dynamic and multiple factors can impact project development and SDG&E's attainment of RPS goals. For example, California's load-serving entities are required to procure 60% of their electricity from renewable resources by 2030. SDG&E's procurement team monitors its portfolio to help ensure the company stays in compliance but is also subject to project risk and additional regulatory requirements. Further, enhancements to the energy grid are also integral to achieving 100% zero-carbon energy in 2045. Energy storage at grid scale can help mitigate the effects of renewable energy intermittency and energy shifting. Over time, energy-storage and energy-shifting capabilities will need to expand to manage daily intermittency needs and mitigate the impact of lengthy weather events. Besides charging primarily when there is an overabundance of renewables and prices are low and discharging later in the day when solar is coming offline, these batteries can provide ancillary services to help maintain grid stability. And although these patterns will likely change over time as more energy storage and renewables are connected to the grid, they can inform planning for the next decade and beyond.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical

Changes in precipitation patterns and extreme variability in weather patterns

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

A variety of factors including frequent and more severe drought conditions, precipitation changes, changes in vegetation, unseasonably warm temperatures, very low humidity and stronger winds have increased the duration of the wildfire season and the intensity and prevalence of wildfires, including in SDG&E's and SoCalGas' service territories, and have made these wildfires increasingly difficult to predict and contain. These wildfires could place third-party property and our California utilities' infrastructure in jeopardy and reduce the availability of hydroelectric generators, and the wildfires and associated weather conditions could lead to temporary power shortages. In addition, certain of California's local land use policies and forestry management practices have been relaxed to allow for the construction and development of residential and commercial projects in high-risk fire areas that may not have the infrastructure or contingency plans necessary to address wildfire risks, which could lead to increased third-party claims and greater losses for which SDG&E or SoCalGas may be liable. In addition, credit rating agencies routinely evaluate Sempra and its California utilities on a number of factors, including the increased risk of wildfires in California. We have also experienced increased costs and difficulties in obtaining insurance coverage for wildfires that could arise and these conditions could continue to worsen. The insurance that has been obtained for wildfire liabilities may not be sufficient to cover all losses that we may incur or may not be available in sufficient amounts to meet requirements of the California Assembly Bill (AB) 1054 and AB 111 (collectively, Wildfire Legislation) which addresses certain important issues related to catastrophic wildfires in the State of California and their impact on electric investor-owned utilities (IOUs) in the state. Uninsured losses may not be recoverable in customer rates. Increases in the cost of insurance may be challenged when we seek cost recovery. As a result of the strict liability standard applied to wildfires in California caused by electric IOUs, recent losses recorded by insurance companies, and the risk of an increase in the number and size of wildfires, insurance for wildfire liabilities may not be available or only at rates that are prohibitively expensive and may not be available in such amounts as are necessary to cover potential losses .

Time horizon

Short-term

Likelihood

About as likely as not

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

451,500,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The expected financial impact is unknown but could be significant. The figure provided represents SDG&E's contributions and expected contributions to California's Wildfire Fund. In July 2019, the Governor of California signed the Wildfire Legislation) into law. The Wildfire Legislation did not change the doctrine of inverse condemnation, which imposes strict liability (meaning that liability is imposed regardless of fault) on a utility whose equipment is determined to be a cause of a fire. The Wildfire Legislation established a revised legal standard for the recovery of wildfire costs (Revised Prudent Manager Standard) and established a fund (the Wildfire Fund) designed to provide liquidity to participating California electric IOUs to pay IOU wildfire-related claims in the event the governmental agency responsible for determining causation determines the applicable IOU's equipment caused the ignition of a wildfire, primary insurance coverage is exceeded and certain other conditions are satisfied. We are unable to predict whether the Wildfire Legislation will be effectively implemented or consistently applied and its impact on SDG&E's ability to recover certain costs and expenses in the event that SDG&E's equipment is determined to be a cause of a fire. The $451.5 million financial impact figure represents the amount recorded by SDG&E for its commitment to make shareholder contributions to the Wildfire Fund, measured at its present value as of July 25, 2019 (the date by which SDG&E opted to contribute to the Wildfire Fund).

Cost of response to risk

2,000,000,000

Description of response and explanation of cost calculation

SDG&E has strong risk management practices in place to mitigate wildfire risk. This has been an effort developed over the last decade, including over $2.0 billion invested in wildfire mitigation since 2007 (which amount does not attempt to quantify future costs). In 2019, SDG&E issued its wildfire mitigation plan which outlines efforts to mitigate these risks. These efforts include:
- A cross functional wildfire risk mitigation governance structure; extensive workforce wildfire prevention training; fire potential communicated daily; stringent monitoring and inspection standards with robust internal controls;
- Aggressive infrastructure hardening + robust vegetation management program ▪ Leading practices in construction, maintenance and operations, including proactive de-energization for safety ▪ Dedicated firefighting resources and one of the largest heli-tankers in the world;
- Advanced situational awareness tools for modelling fire risk: Santa Ana Wildfire Threat Index | Wildfire Risk Reduction Modelling; Highest concentration of utility-owned weather network in the U.S. with 100+ cameras; Robust vegetation management program tracking 460K+ trees;
- Stakeholder collaboration with ~100 community partners ▪ Weather data shared with fire and weather agencies, academia and general public ▪ Community Resource Centers supporting most impacted customers.

As part of its efforts to help manage this risk, SDG&E was one of the first utilities in the country to develop a dedicated Fire Science & Climate Adaptation Department. This department includes five full-time meteorologists that monitor weather conditions that could lead to wildfire events. These meteorologists analyze daily weather data using fire behavior modeling software created by SDG&E to provide microclimate forecasts to our electric system operators, as well as to partners across the county. In addition, SDG&E utilizes over 100 cameras that allow it to monitor the potential of wildfire events. This state-of-the art camera network includes 17 high-definition, live-streaming, pan-tilt-zoom cameras that help CAL FIRE more quickly locate and size up wildfires to develop initial plans of attack for first responders prior to their arrival. These cameras and the entire network have become vital in SDG&E's efforts to help prevent wildfire spread.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical

Rising sea levels

Primary potential financial impact

Increased capital expenditures

Company-specific description

Rising sea levels pose a threat to our energy infrastructure located in coastal areas. Through our California utilities SDG&E and SoCalGas and IEnova operations, we have a concentration of operations and infrastructure in coastal areas of California and Northern Baja California, Mexico. According to the San Diego Region Report issued by Scripps Institution of Oceanography in partnership with other regional partners as part of California's 4th climate change assessment, sea level may rise in the San Diego region significantly faster between now and 2050 than the roughly 0.6 feet of rise measured over the last century. In fact, the report says that by 2050, we could experience a rise of about 12 inches relative to sea level in 2000. Sea level rise may be compounded by other causes of flooding that we already experience- extreme high tides and storm surges- that are expected to cause the greatest impacts. Coastal flooding may also lead to further beach and bluff erosion as well as runoff and drainage problems from intense storms. If these effects were to occur, extended service losses and operational challenges could result. The gas system could also experience some impacts from climate change, including in the form of increased repair/maintenance needs or localized disruptions. Widespread disruptions to natural gas infrastructure would not be expected due to limited project exposure to climate hazards, and low system sensitivity when hazards do occur. Other indirect impacts could be experienced by nearby communities if critical customers served by the substations, such as sewage pumping stations, hospitals, airports, and ports, are affected by outages. For other asset types, potential direct impacts are expected in the form of increased maintenance and repair costs.

Time horizon

Long-term

Likelihood

Likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

920,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The $920 million represents an example of the potential financial impact of service losses and operational challenges that could take place at IEnova's Energia Costa Azul LNG facility located in the coastal area of Rosarito-Ensenada in Baja California if nothing were done to mitigate the impacts of sea level rise and the facility were to not be operational. IEnova has mitigating measures like buoys that permanently monitor waves and tides, an insurance policy that covers for climate disasters, and maintenance programs to help maintain this asset's integrity that are considered in the estimated costs section.

Cost of response to risk

3,800,000

Description of response and explanation of cost calculation

IEnova is working to complete a climate change risk assessment to analyze the levels of threat, exposure and vulnerability of their operations under different climate-related scenarios. Based on the results of this study, IEnova will look to determine the potential economic impact to its business derived from these risks and identify the necessary adaptation measures in an effort to avoid or reduce negative impacts to operations as a result of climate change, where possible. The $3,800,000 represents mitigating measures at the Energia Costa Azul facility for buoys that permanently monitor waves and tides, an insurance policy that covers for climate disasters, and maintenance programs to help maintain this asset's integrity.

To better understand this threat and be able to take the necessary actions, SDG&E and SoCalGas participated in a study with the California

Energy Commission analyzing the exposure of utility assets to climate change-driven sea level rise. To develop action plans for the adaptation actions identified in the study, SDG&E and SoCalGas have focused on reporting the study results throughout the organization, utilizing workshops and one-on-one communication. Maps are being developed that will be integrated into the geographic information system highlighting at-risk infrastructure and locations that can be used to inform new construction standards. SDG&E is identifying monitoring procedures through a flexible adaptation pathways approach in which short- and long-term adaptation measures are identified and evaluated. For example, upon looking further into the results of the scenario analysis study, SDG&E determined that one substation faces the highest level of risk for impacts related to sea level rise. SDG&E has partnered with the Scripps Institute of Oceanography to install a sensor west of the substation to monitor and generate wave models, and allow for more detailed projections of coastal flooding and better understanding of potential sea level rise in the future. In addition, SDG&E is now engaged in a vulnerability assessment for its entire service territory and all its assets for a multitude of climate hazards on several different time scales, creating projections for the next 50 years. This will be the most comprehensive assessment the utility has conducted to date and will serve as a guiding document for how the utility addresses climate change risks moving forward.

Comment

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Market

Other, please specify

Changes in traditional/fossil natural gas demand

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Company-specific description

In California, certain legislators and stakeholders have expressed a desire to further limit or eliminate reliance on natural gas by advocating increased use of renewable electricity and electrification. Certain California state agencies have proposed public policies that would prohibit or restrict the use and consumption of natural gas, for example in new buildings and appliances, and certain local city governments have passed ordinances restricting use of natural gas connections in newly constructed buildings. These proposals and ordinances could have an impact on natural gas demand over time. In addition, CARB, California's primary regulator for GHG emission reduction programs, has published plans for reducing GHG emissions in line with California's climate goals that include proposals to reduce reliance on traditional/fossil natural gas demand. The CPUC has initiated an Order Instituting Rulemaking (OIR) to update gas reliability standards, determine the regulatory changes necessary to improve coordination between gas utilities and gas-fired electric generators, and implement a long-term planning strategy to manage the state's transition away from traditional/fossil natural gas to meet decarbonization goals. A substantial reduction or the elimination of natural gas as an energy source in California could lead to certain of SoCalGas' and SDG&E's gas assets no longer meeting CPUC standards to recover costs and earn an associated rate of return, thus potentially causing our substantial investment in the value of these gas assets to be depreciated on an accelerated basis or become stranded,

We are exposed to risks related to our LNG export projects at various stages of development. Each project faces numerous risks and must overcome significant hurdles. The overall success of each project is dependent on global energy markets. In general, a shift in the supply of natural gas could depress LNG prices and the cost advantages of exporting LNG from the U.S. Global oil prices and their associated current and forward projections, as well as higher penetration of alternative fuels for power generation, or calls to limit or eliminate reliance on natural gas could also reduce LNG demand. Any of these developments could result in increased or decreased competition and impact prospects for LNG projects in an environment of declining LNG demand, and could negatively affect the performance and prospects of any of our projects that are or become operational.

Time horizon

Long-term

Likelihood

About as likely as not

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

400,000,000

Potential financial impact figure – maximum (currency)

450,000,000

Explanation of financial impact figure

As one example of the potential financial impact, the Cameron LNG liquefaction project alone, which has been developed to help meet worldwide demand for natural gas, is expected to generate $400-$450 million of annual full run-rate earnings to Sempra for the full contract period (until 2039).

Cost of response to risk

200,000,000

Description of response and explanation of cost calculation

In general, our operating companies' assets have long-term contracts in place which mitigates some of this risk. Another way to mitigate our risk is through R&D efforts evaluating low-carbon technologies that can leverage gas infrastructure for storage and transportation. We continue to focus our strategy on assets that we believe will be critical to the transition to a lower-carbon future.

While annual/average gas use is projected to decline, the value of gas infrastructure system grows, particularly the parts of our system needed to support the reliable and resilient operation of an increasingly decarbonized electric grid. The gas distribution networks at our California utilities can transport lower and zero carbon fuels as well as carbon as we examine the need for a carbon management network. The evolution of the traditional utility business model is a necessary part of the energy transition, including a need to align cost allocation and rate design with beneficiaries and users of the system and monetize the resiliency and reliability provided by a clean fuel network. SoCalGas is investing in

low/zero/negative carbon intensity projects that utilize the gas system to facilitate a quicker, cleaner and more affordable transition to a carbon-neutral system. This includes RNG as well as hydrogen. In 2018, SoCalGas injected the first RNG into its pipelines and has a goal that by 2030 RNG will make up 20% of the natural gas delivered to its core customers. Capturing and utilizing RNG in the distribution system prevents the methane from going into the atmosphere.

The gas system can support California's goal of meeting California's retail electricity supply with a mix of RPS program-eligible and zero-carbon sources by 2045. Today, California curtails surplus renewable electricity. Rather than wasting that energy, the renewable energy can be used to produce electrolytic hydrogen, a renewable and zero-emissions energy source, that can be blended into the gas infrastructure.

Sempra LNG is also evaluating carbon capture utilization and sequestration (CCUS), hydrogen and carbon-neutral LNG project development opportunities. For example, LNG's proposed Hackberry CCUS project would sequester CO2 volumes from the Cameron LNG natural gas liquefaction facility and could result in scope 1 CO2 emissions reductions of 15%. The cost of response to this risk ($200,000,000) are the approximate capital expenditures for this CCUS project.

Comment

Identifier

Risk 5

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Market

Changing customer behavior

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

Electric utilities in California are experiencing increasing deployment of distributed energy resources, such as solar generation, energy storage, energy efficiency and demand response technologies, and California's environmental policy objectives are accelerating the pace and scope of these industry changes. This growth of distributed energy resources will require modernization of the electric distribution grid to, among other things, accommodate increasing two-way flows of electricity and increase the grid's capacity to interconnect distributed energy resources. Moreover, enabling California's clean energy goals will require sustained investments in grid modernization, renewable integration projects, energy efficiency programs, energy storage options and electric vehicle infrastructure. The CPUC is conducting proceedings to: evaluate various projects and pilots; implement changes to the planning and operation of the electric distribution grid in order to prepare for higher penetration of distributed energy resources; consider future grid modernization and grid reinforcement investments; evaluate if traditional grid investments can be deferred by distributed energy resources; determine what, if any, compensation would be feasible and appropriate; and clarify the role of the electric distribution grid operator. These proceedings and the broader changes in California's electricity industry could result in new regulations, policies and/or operational changes that could materially adversely affect SDG&E's and Sempra's businesses, cash flows, financial condition, results of operations and/or prospects.

Time horizon

Short-term

Likelihood

Unlikely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

SDG&E provides bundled electric procurement service through various resources that are typically procured on a long-term basis. While SDG&E currently provides such procurement service for most of its customer load, customers do have the ability to receive procurement service from a load serving entity other than SDG&E, through programs such as direct access (DA) and community choice aggregation (CCA). DA is currently limited by a cap based on gigawatt hours and CCA is only available if a customer's local jurisdiction (city) offers such a program. Several local jurisdictions, including the City and County of San Diego and other municipalities, have implemented, are implementing or are considering implementing CCA, which could result in SDG&E providing procurement service for less than half of its current customer load as early as December 31, 2021. When customers are served by another load serving entity, SDG&E no longer procures electricity for this departing load and the associated costs of the utility's procured resources could then be borne by SDG&E's remaining bundled procurement customers. Existing state law requires that customers opting to have CCA procure their electricity must absorb the cost of above-market electricity procurement commitments already made by SDG&E on their behalf, which requires equitable cost sharing among customers served by SDG&E and customers served by DA and CCA. If adequate mechanisms are not implemented to help ensure compliance with state law or if state law changes, remaining bundled customers of SDG&E could potentially experience large increases in rates for commodity costs under commitments made on behalf of CCA customers prior to their departure. If all such costs are not recoverable in rates, SDG&E could experience material increases in its unrecoverable commodity costs. If legislative, regulatory or legal action is taken that has the effect of preventing or delaying recovery of these procurement costs or if mechanisms are not in place to help ensure compliance with state law, the unrecovered costs could have a material adverse effect on SDG&E's and Sempra's cash flows, financial condition and/or results of operations.

Cost of response to risk

Description of response and explanation of cost calculation

In June 2017, the CPUC initiated a rulemaking proceeding to address the existing cost allocation mechanism. In a 2018 decision, the CPUC modified the existing Power Charge Indifference Adjustment (PCIA) to address concerns that the then-existing cost allocation and recovery mechanism was not preventing cost shifts between different groups of customers. The PCIA Decision updated the methodology for establishing the PCIA which helped to alleviate cost shifts between different groups of customers and helped achieve the goal of ratepayer "indifference". The revised methodology went into effect in January 2019, with additional implementation issues to be addressed through workshops in 2019

and implemented in 2020. Costs to monitor regulation related to CCAs do not represent a significant additional cost above already established departments.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues through access to new and emerging markets

Company-specific description

Worldwide, there continues to be increasing demand for cleaner energy. And a number of countries are turning to natural gas to reduce the harmful emissions associated with coal. Natural gas is one of the cleanest fossil fuels, is increasingly available and affordable and will play a significant role in the transition to a lower-carbon future, in our view. Natural gas is projected to have the most growth of any energy type through 2040 as a result of environmental considerations; shifting generation resources with coal and nuclear retirements; and supply security issues (Europe's reliance on imports of natural gas continues to rise). With these trends, the demand for LNG is also expected to grow. Sempra LNG also has a substantial track record of developing North American LNG infrastructure, with more than $12 billion developed in the last 15 years. This includes the development and operation of two regasification sites in Mexico and Louisiana. In addition, Sempra LNG has developed more than 12 million tonnes per annum (Mtpa) of LNG export capacity at its fully operational natural gas liquefaction facility Cameron LNG. We believe this expertise and experience in the industry position Sempra to take advantage of this opportunity to help meet demand for natural gas worldwide.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

400,000,000

Potential financial impact figure – maximum (currency)

450,000,000

Explanation of financial impact figure

The Cameron LNG liquefaction project alone, which has been developed to help meet worldwide demand for natural gas, is expected to generate $400-$450 million of annual full run-rate earnings to Sempra for the full contract period (until 2039).

Cost to realize opportunity

2,000,000,000

Strategy to realize opportunity and explanation of cost calculation

To take advantage of these market opportunities, Sempra continues to execute on projects to expand access to natural gas and other enabling infrastructure with a focus on expanding LNG export capacity to deliver it to some of the largest world markets through strategically located projects in Louisiana, Texas and Mexico, which offer flexibility and scalability to meet current and future global LNG demand. One example of this effort is the ECA LNG Phase 1 project under construction. This project would be the first LNG export facility on the Pacific Coast of North America that can help connect abundant natural gas supplies from Texas and the Western U.S. directly to markets in Mexico and countries across the Pacific Basin. The ECA LNG Phase 1 project is currently under construction and is owned, and will be built and operated by Sempra LNG, IEnova, Sempra's subsidiary in Mexico, and a third party. It is expected to be a single-train liquefaction facility with a nameplate capacity of 3.25 million tonnes per annum (Mtpa) of LNG and an initial offtake capacity of approximately 2.5 Mtpa of LNG. Estimated capital expenditures for ECA LNG Phase 1 are approximately $2 billion, including capitalized interest and project contingency.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Due to the focus on emissions reductions from the transportation sector, we project steady growth in low-emission and zero-emission vehicles, providing our utilities with the opportunity to help build the charging infrastructure and fueling stations that will be needed and earn a rate of return on these projects. SDG&E is supporting California's goal to transition to zero-emission vehicles by accelerating strategic collaboration of key stakeholders in an effort to deliver an ambitious region-wide clean transportation infrastructure goal, address air pollution and solidify the region as a leader on the global transportation map; and aims to help shape constructive policies and legislation to help promote customer adoption and facilitate an equitable transition. SoCalGas also has the opportunity to continue to expand its transportation-related efforts with expanded use of renewable natural gas in fueling stations in addition to exploring new technologies to provide renewable hydrogen made from RNG. SoCalGas' goal with these projects is to produce emissions-free renewable hydrogen for fuel cell electric cars and other vehicles at a price competitive with gasoline.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

44,400,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

When determining the revenue requirements for our CA utilities, the CPUC allows for the recovery of reasonable operating and capital costs in addition to a fair rate of return on infrastructure investments. SDG&E's 2020 and 2021 consolidated rate filings include $44.4 million in revenue requirements related to projects to promote transportation electrification including light duty, medium duty, and heavy-duty electrification; projects at ports and airports, public Cal Trans lots, and car dealerships; electrification of fleet delivery trucks and green shuttles; and a vehicle to grid electric school bus pilot.

Cost to realize opportunity

120,000,000

Strategy to realize opportunity and explanation of cost calculation

Over the past several years, SDG&E has been working to implement projects to increase the number of electric vehicles (EVs) in its service territory. One example is the Power Your Drive program. After receiving approval in 2016, SDG&E has installed more than 3,000 electric vehicle charging stations at over 250 locations to support the 50,000 electric vehicles in its service territory. The program, features a special rate that encourages EV drivers to charge their cars when electricity supply, including renewable energy, is plentiful and energy prices are low, thereby reducing the impact on SDG&E's grid. Other projects that are planned include:

- Port and airport electrification: Installations would support electric medium-duty/heavy-duty vehicles and forklifts for the Port of San Diego.
- Fleet delivery trucks: Charging stations are planned to be installed for fleet delivery vehicles at multiple locations.
- Highways (Park-n-Ride lots): Various charging stations, including DC fast chargers — one of the fastest chargers available — are expected to

be installed at certain public Caltrans Park-and-Ride lots located along highways.
- Green shuttles: SDG&E is installing charging stations at certain locations to support shuttles running on fixed routes.
- Dealerships: SDG&E provides car dealerships with educational programs and financial incentives to help advance and grow the sales of EVs in the region.

$120 million are the estimated capital expenditures at SDG&E related to electric vehicle charging infrastructure for 2021-25.

In addition, SoCalGas and SunLine Transit Agency have partnered to test two technologies to produce hydrogen from RNG at SunLine Transit Agency's hydrogen fueling station in Thousand Palms, California. The research project, called "H2 SilverSTARS," is designed to produce renewable hydrogen to fuel SunLine's fleet of 17 hydrogen fuel cell electric buses.

Hydrogen-powered fuel cell electric vehicles are expected to play an important role in meeting California Governor Newsom's executive order requiring all new cars sold in the state be zero emissions by 2035. As demand for these cars increases, Californians will need more stations where they can fuel up with hydrogen.

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Worldwide, there continues to be increasing demand for cleaner energy. In areas where the Sempra family of companies operate, including Mexico, governments and consumers are pushing for additional amounts of renewable energy as part of the power generation portfolio and delivered energy. In Mexico, where our IEnova subsidiary operates, the general climate change law (LGCC) details the commitment to reduce GHG emissions 30% by 2020 and 50% by 2050. Therefore, Sempra, through IEnova, may have the opportunity to increase revenues through projects that enable delivery of renewable energy to customers in Mexico and the United States through cross-border renewables opportunities. With existing wind and solar facilities, IEnova may be able to leverage this experience to continue to deliver renewable energy projects to meet demand.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

126,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Revenues for renewable power generation at IEnova totalled approximately 10% of total revenues or $126 million in 2020. Additional projects and investments provide an opportunity for growth in revenues from renewable power generation.

Cost to realize opportunity

300,000,000

Strategy to realize opportunity and explanation of cost calculation

IEnova is currently among the top 10 producers in renewable energy generation in Mexico with 1,044 MW in combined wind and solar generating capacity. In 2020 and early in 2021, IEnova finalized acquisition of the remaining 50% equity-interest in Energía Sierra Juárez (ESJ), a wind complex in Baja California; began development of the proposed ESJ expansion, expected to begin operations in 2H-2021 adding 108 MW of power generation capacity; placed the 150 MW Border Solar project in service in March 2021; and reached commercial operations on the Don Diego Solar 125 MW project in December 2020. The $300 million cost to realize this opportunity is the approximate 2021-2025 capital expenditure plan for wind and solar projects (only includes announced projects).

Comment

Identifier

Opp4

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of new products or services through R&D and innovation

Primary potential financial impact

Increased revenues through access to new and emerging markets

Company-specific description

The Sempra family of companies has been advancing programs to decarbonize, diversify and digitalize our energy infrastructure for many years, while continuing to work to deliver reliable and affordable energy to consumers. With the push to net-zero GHG emissions on an international scale through the Paris Agreement and an Executive Order in California where we are headquartered, new net-zero energy systems are needed. Our demonstrated position as a leader in decarbonizing energy together with our disciplined approach to innovation and operational excellence has allowed us to maintain a strong position in large North American markets and positions us to be a leader in this energy transition. 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. While innovation and new technologies will be central to society's net-zero GHG emissions goal by 2050, we expect that investing in three key capabilities is needed: decarbonization, diversification and digitalization. As we develop and promote new capabilities in decarbonization, diversification and digitalization, we believe it will help drive our ESG commitments to support long-term, sustainable value for all shareholders and our other stakeholders.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

We have recently established our long-term strategy to achieve net-zero GHG emissions across all scopes by 2050 and outlined key investment opportunities related to the 3Ds: decarbonization, diversification and digitalization. Two examples of investments that we are considering include hydrogen and carbon capture and storage.

Together, SoCalGas and SDG&E are participating in over 10 hydrogen demonstration projects, exploring hydrogen uses in clean transportation, hydrogen pipeline infrastructure, electrolysis, pyrolysis and hydrogen blending. For example, SoCalGas collaborates with a wide range of organizations locally and globally to examine hydrogen blending into the gas grid. As part of the global HYREADY joint industry project, with over 16 international utilities, SoCalGas is supporting the development of engineering guidelines for transmission and distribution operators to support hydrogen injection into the gas grid. SoCalGas and SDG&E, as part of the California statewide effort to transport hydrogen through the gas network, are working alongside PG&E and Southwest Gas to conduct hydrogen blending research and lab testing to support demonstration opportunities with the potential to increase blending.

We are also considering additional opportunities through our energy infrastructure businesses including a proposed carbon capture and storage project near the Cameron LNG facility, which could sequester emissions from Cameron LNG and other facilities in the area. In addition, investment opportunities in the production and transportation of alternative fuels such as hydrogen, green ammonia, RNG, and biofuels are also being explored. Hydrogen pipeline infrastructure projects could leverage our existing assets.

These new opportunities represent potential areas of growth for our family of companies while we advance cleaner energy systems.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Is your organization's low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	No, and we do not intend it to become a scheduled resolution item within the next two years	

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
RCP 4.5 RCP 8.5	The following references scenario analysis completed for SDG&E and SoCalGas as part of California's 4th Climate Change Assessment, available at www.climateassessment.ca.gov. While several scenarios were modelled, the analysis focused on mid-century exposure, in line with energy infrastructure planning horizons and because energy systems are likely to change significantly by 2100. The methodology for this project included: A literature review to understand coastal hazards in the region; sector vulnerabilities and concurrent efforts in the region; an exposure analysis, which utilized the latest sea level rise (SLR) information, to understand where SLR impacts might intersect with SDG&E and SoCalGas infrastructure; an assessment of potential direct impacts, such as how types of infrastructure could be damaged and locations of impacts; quantitative modelling and qualitative assessment of indirect impacts, specifically due to disruptions at potentially exposed substations, including estimating the value of the lost service to customers, and community-wide impacts from service disruptions; and development of potential "flexible adaptation pathways" and priority adaptation measures. The RCP 8.5 50th, 95th, and 99.9th percentile projections were used for planning horizons before 2060, and RCP 4.5 and 8.5 (50th, 95th, and 99.9th percentile) beyond 2060. In absence of coastal hazard models which directly align, the research team evaluated several models and recommended specific scenarios and recurrence intervals of wave and water levels to match the guidance as closely as possible. • 0.0 meter SLR (annual tidal flooding and 100-year coastal wave flooding) – baseline • 0.5 meter SLR (annual tidal flooding and 100-year coastal wave flooding) – selected to represent mid-century based on Franco et al. 2016 guidance • 2.0 meter SLR (annual tidal flooding and 100-year coastal wave flooding) – selected to represent end-of-century based on Franco et al. 2016 guidance. On the electric side, it was determined that a significant number of assets and services are exposed to coastal hazards related to climate change. Areas of concern for the utility by mid-century are in low-lying areas around bays and estuaries and on the coastline adjacent to erodible cliffs and dunes. The most significant direct impacts could occur from damage to substations near two bays in San Diego. If inundated with sufficient water to damage equipment, these substations could go out of service until flooding recedes and repairs can be made, potentially disrupting service to thousands of customers. Other direct impacts include increased maintenance or repair costs. Natural gas infrastructure is likely to experience increased repair/maintenance needs or localized disruptions. The cumulative impacts of increased costs could not be quantified in this study but could be significant with the number of assets potentially exposed. Widespread disruptions to natural gas infrastructure are not expected due to limited projected exposure to climate hazards, and low system-sensitivity when exposure occurs. The results were

	initially reported to staff at both SDG&E and SoCalGas through workshops and 1-1 communication. Analysis like this allows for our companies to plan for future capital projects and determine work necessary to improve our infrastructure's ability to withstand SLR that occurs. For example, there are plans to develop maps that will be integrated into the SDG&E geographic information system to highlight at-risk infrastructure and inform new construction. We expect this analysis to influence our strategy as we build new infrastructure and maintain existing facilities. Further research indicates that one substation faces the most risk. SDG&E has partnered with the Scripps Institution of Oceanography to install a censor west of the substation that will monitor and generate wave models, allowing for more detailed projections of coastal flooding.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	While the core products and services (transmission and distribution of gas and electricity) that Sempra businesses offer have not changed, climate-related risks and opportunities have had a high impact on our business strategy and investment decisions in types of electric generating facilities and natural gas infrastructure. For two decades, the Sempra family of companies has been on a sustained path to decarbonize our business operations and the markets we serve with a view towards transitioning to net-zero – where we emit no more greenhouse gases than we remove from the atmosphere. Accomplishing this goal by 2050 will do our part to aid in keeping global warming below a 1.5-2 degree Celsius change. While innovation and new technologies will be central to society's net-zero goal by 2050, we expect that investing in three key capabilities is needed: decarbonization, diversification and digitalization. Fully addressing climate change will require reducing all GHG emissions. We will also explore the opportunities we may have in the offset and environmental credit markets.

		As the Sempra family of companies develop and promote new capabilities in decarbonization, diversification and digitalization, it will help drive our ESG commitments to support long-term, sustainable value for all shareholders and our other stakeholders. When applied to our own operations, the 3Ds framework is intended to support our goal of reaching net-zero GHG emissions by 2050, with proof points and goals across three time periods: 2021-2025, 2026-2030 and 2031-2050.
Supply chain and/or value chain	Yes	Climate risks and opportunities have influenced our strategy related to supply chain in several different ways. First, with increasing renewable portfolio standards related to electricity, particularly in the State of California, we have adjusted our procurement strategy at SDG&E to focus on renewable sources of energy in an effort to meet state requirements. On the natural gas side, we have set a goal that by 2030 20% of the natural gas that we deliver to SoCalGas core customers will be from renewable natural gas that is released from the decomposition of organic matter (with an interim goal of 5% by 2025), which is altering the supply chain. We are also engaging in the RNG capture market. On the LNG side, Sempra LNG actively works with companies and institutions across the LNG supply chain to help reduce scope 2 and 3 emissions. Sempra values suppliers who disclose their corporate sustainability results and set measurable goals that reduce environmental impact. For example, through their membership in the Electric Utility Industry Sustainable Supply Chain Alliance (EUISSCA), SDG&E and SoCalGas engaged with suppliers on sustainability. In 2020, 146 suppliers (representing 59% of both utilities collective supplier spend) were invited to participate in a sustainability assessment to help SDG&E and SoCalGas better understand and evaluate their environmental performance, policies and resource use. The assessment included questions on environmental compliance and management, GHG emissions, energy consumption, water use and waste

		management. Suppliers representing approximately 40% of SDG&E and SoCalGas' collective total supplier spend completed the assessment. The assessment results will help inform suppliers of opportunities to advance their sustainability efforts in the short- and long-term. Additionally, SDG&E is changing its supplier evaluation criteria on bid events to include sustainability as a fundamental element of the bid review process. SDG&E plans to enhance its supply chain sustainability program by 2025 to continue to champion supplier diversity, resilience, environmental excellence and safety. SoCalGas has been incorporating sustainability in its bid review process for several years and, in 2020, began working with a supply chain consultant to create a road map for creating an improved supply chain sustainability plan.
Investment in R&D	Yes	Society's shift to a cleaner energy future presents both opportunities and risks for our businesses and has a high impact on R&D expenditures. The energy transition and reaching net-zero GHG emissions as an industry will require significant innovation and new technologies to be achievable. Our businesses are investing in R&D opportunities designed to facilitate this transition and allow for upgrades to our current infrastructure to provide reliable delivery of energy, in addition to the development of new technologies designed to reduce the emissions impacts of the electricity and natural gas that we deliver. We engage in R&D collaborations with external parties and license technology in an effort to take advantage of climate-driven opportunities and address risks. For example, Sempra recently announced a Memorandum of Understanding (MOU) with the U.S. Department of Energy's National Renewable Energy Laboratory (NREL), providing a framework for a joint effort to advance future net-zero energy systems. The MOU, which is not legally binding but sets forth a framework for cooperation, builds off nearly 10 years of ongoing collaboration and will continue current work researching and developing innovative solutions to help shape a lower-carbon future through technology and applications capable of withstanding increasing energy demand and broad adoption while advancing future innovation. The Sempra family of companies and NREL have collaborated for nearly a decade on cooperative and multi-year projects exploring the development, access and integration of low-carbon fuels and microgrid technology. In 2013, SDG&E and NREL joined to establish the nation's first utility-owned community microgrid in Borrego Springs, CA, connected to a local 26-megawatt solar field (owned by a third party), two battery storage systems, two generators, and an ultracapacitor. The microgrid, which is being

		upgraded so that it can operate on 100% clean energy, was designed to provide consistent power flowing to the remote desert town during emergencies and planned outages on the larger grid. In 2017, SoCalGas and NREL partnered to create, validate and integrate the nation's first carbon-free, power-to-gas pilot-system. The technology takes excess electricity and converts it to hydrogen, which can be used, stored, or combined with carbon dioxide and fed to a bioreactor to produce RNG.
Operations	Yes	With operations that can be impacted by the physical risks of climate change, our utilities have worked to update infrastructure and operations to mitigate these risks. Climate-related scenario analysis studies, as described in our response to 3.2a provide a pathway and framework to address areas of operations particularly at risk. One of the most significant decisions made related to operations is at SDG&E, where the decision was made to invest in a wildfire mitigation program that resulted in more than $2.0 billion spent since 2007 in wildfire mitigation investments (which does not attempt to quantify future costs). SDG&E has been highly impacted in terms of the risk related to increasing drought conditions and the potential for wildfires. Wildfires can put our infrastructure and customers at risk, and if overhead power lines are implicated in wildfires, as was the case in 2007, it represents further financial risk. This risk has influenced the way that SDG&E operates, to mitigate this risk to the extent possible. SDG&E has long been recognized as a leader in wildfire innovation and weather science and continues to invest in fire hardening to support public safety. Since 2007, the company has continued to improve and build upon its wildfire mitigation efforts, culminating in the latest iteration of its wildfire mitigation program, “Fire Safe 4.0.” As part of its efforts, SDG&E leverages an enhanced weather and camera network to measure fuel moisture and monitor chlorophyll in vegetation; artificial intelligence to identify smoke patterns and deploy push notifications; remote sensing to detect hot spots and link with cameras to provide alerts; risk-based decision tools to assess wildfire and public safety power shutoff risks; strategic hardening, such as undergrounding, covered conductor and falling conductor protection; community programs, including microgrids and generators to help keep communities energized, and a mobile app to help keep customers informed; and enhanced vegetation management within high fire threat districts.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Capital expenditures Capital allocation Acquisitions and divestments	For two decades, the Sempra family of companies has been on a sustained path to decarbonize our business operations and the markets we serve with a view towards transitioning to net-zero – where we emit no more greenhouse gases than we remove from the atmosphere. Capital expenditures have been significantly impacted by this effort to lower our environmental impacts and climate-related risks and opportunities in general. This has involved capital expenditures in infrastructure that helps enable the clean energy transition. As June 29, 2021, over 80% of SDG&E's and SoCalGas' 5-year capital plan (2021-2025) is allocated to efforts to improve safety, reliability and cleaner fuels investments. For example, our California utilities have a goal of reaching net zero GHG emissions by 2045. SDG&E is working towards California's aggressive GHG emissions and RPS targets and driving investments including grid modernization required to manage increasingly complex power flows and integrate renewables and energy storage. SoCalGas, SDG&E and IEnova are executing on a strategy to achieve at least a 40% reduction in fugitive emissions from our natural gas transmission and distribution systems by 2030, measured against 2015 levels.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Both absolute and intensity targets

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 2

Year target was set

2019

Target coverage

Business activity

Scope(s) (or Scope 3 category)

Scope 1

Base year

2015

Covered emissions in base year (metric tons CO2e)

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

Target year

2030

Targeted reduction from base year (%)

40

Covered emissions in target year (metric tons CO2e) [auto-calculated]

Covered emissions in reporting year (metric tons CO2e)

738,537

% of target achieved [auto-calculated]

Target status in reporting year

Underway

Is this a science-based target?

No, and we do not anticipate setting one in the next 2 years

Target ambition

Please explain (including target coverage)

Sempra has set a goal to reduce fugitive methane emissions from natural gas transmission and distribution systems by 40% from a 2015 baseline* by 2030. The target includes the following businesses : SoCalGas, SDG&E and IEnova (Ecogas utility and other IEnova-owned natural gas pipelines).

In 2020, SoCalGas and SDG&E were able to achieve a 19.7% and 9%** reduction of fugitive emissions over the baseline, respectively, and a total reduction of 18,577 metric tons of CO2e from 2020 to 2019 (SDG&E and SoCalGas). The goal is expected to be achieved primarily through working to improve the efficiency of the transmission system to reduce fugitive methane emissions; and by working to improve fugitive emission review, detection, and repairing activities as part of the asset maintenance plan.

*The baseline year used by SDG&E and SoCalGas is 2015, while IEnova selected 2019 as the baseline year (2019 emissions are higher).
**Based on the current CPUC reporting templates, SoCalGas' current emissions reduction from the 2015 official baseline is 35%, while SDG&E's is 39.6%; the reporting templates do not take into account any reporting changes since 2015, such as using company-specific Emissions Factors, Leaker-Based estimation methodology, and template changes. The Emissions Strategy Team will work with the CPUC over the summer to work towards implementing these adjustments. Please note once all proposed adjustments are accepted by the CPUC, we expect SoCalGas' and SDG&E's emissions reductions from the 2015 official adjusted baseline to be approximately 19.7% and 9%, respectively.

Sempra's corporate sustainability team along with the operating companies' sustainability steering committees are exploring the feasibility of setting a science- based target.

Target reference number

Abs 3

Year target was set

2021

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

Base year

2019

Covered emissions in base year (metric tons CO2e)

5,153,303

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

91

Target year

2030

Targeted reduction from base year (%)

50

Covered emissions in target year (metric tons CO2e) [auto-calculated]

2,576,651.5

Covered emissions in reporting year (metric tons CO2e)

5,062,700.62

% of target achieved [auto-calculated]

3.5162838281

Target status in reporting year

New

Is this a science-based target?

No, and we do not anticipate setting one in the next 2 years

Target ambition

Please explain (including target coverage)

Interim target: We aim to reduce our California utility and Mexico (non-LNG) operational GHG emissions by 50% compared to a 2019 baseline by 2030. This target excludes Scope 1 and 2 GHG emissions related to our LNG operations. We have set an annual intensity target for LNG related emissions, which is discussed in 4.1b below.
Long term target: We aim to achieve net-zero scope 1, scope 2 and scope 3 GHG emissions by 2050.

Target reference number

Abs 4

Year target was set

2021

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based) +3 (upstream & downstream)

Base year

2019

Covered emissions in base year (metric tons CO2e)

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2050

Targeted reduction from base year (%)

100

Covered emissions in target year (metric tons CO2e) [auto-calculated]

Covered emissions in reporting year (metric tons CO2e)

6,867,782

% of target achieved [auto-calculated]

Target status in reporting year

New

Is this a science-based target?

No, and we do not anticipate setting one in the next 2 years

Target ambition

Please explain (including target coverage)

Target: We aim to achieve net-zero scope 1, scope 2 and scope 3 GHG emissions by 2050.

Sempra understands that being a leader in climate change includes measuring and reducing emissions across the energy value chain. That is why we are committed to the goal of achieving net-zero GHG emissions across all scopes by 2050. For two decades, the Sempra family of companies has been on a sustained path to decarbonize our business operations and the markets we serve with a view towards transitioning to net-zero – where we emit no more greenhouse gases than we remove from the atmosphere. Accomplishing this goal by 2050 will do our part to aid in keeping global warming below a 1.5-2 degree Celsius change.

While innovation and new technologies will be central to society's net-zero goal by 2050, we expect that investing in three key capabilities is needed: decarbonization, diversification and digitalization. Fully addressing climate change will require reducing all GHG emissions. We will also explore the opportunities we may have in the offset and environmental credit markets. As the Sempra family of companies develop and promote new capabilities in decarbonization, diversification and digitalization, it will help drive our ESG commitments to support long-term, sustainable value for all shareholders and our other stakeholders.

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Year target was set

2020

Target coverage

Business activity

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

Intensity metric

Metric tons CO2e per unit of production

Base year

2020

Intensity figure in base year (metric tons CO2e per unit of activity)

0.481

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure

100

Target year

2021

Targeted reduction from base year (%)

20

Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]

0.3848

% change anticipated in absolute Scope 1+2 emissions

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year (metric tons CO2e per unit of activity)

0.481

% of target achieved [auto-calculated]

0

Target status in reporting year

New

Is this a science-based target?

No, and we do not anticipate setting one in the next 2 years

Target ambition

Please explain (including target coverage)

The intensity goal above was established for our LNG-related operations. Each year we aim to operate our existing LNG infrastructure at a GHG emissions intensity 20% less than the 2020 baseline. This goal is through 2025. Cameron LNG, the primary LNG operating asset, will achieve its first full year of operations in 2021. As the LNG business gains operational history and continues to grow, we expect to establish new goals.

Target reference number

Int 2

Year target was set

2019

Target coverage

Business division

Scope(s) (or Scope 3 category)

Scope 1

Intensity metric

Metric tons CO2e per megawatt hour (MWh)

Base year

2019

Intensity figure in base year (metric tons CO2e per unit of activity)

0.29

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure

25

Target year

2020

Targeted reduction from base year (%)

13.8

Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]

0.24998

% change anticipated in absolute Scope 1+2 emissions

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year (metric tons CO2e per unit of activity)

0.25

% of target achieved [auto-calculated]

99.9500249875

Target status in reporting year

Achieved

Is this a science-based target?

No, and we do not anticipate setting one in the next 2 years

Target ambition

Please explain (including target coverage)

IEnova works to keep its emissions intensity for power generation below 0.35 tCO2e per MWh. This target applies to IEnova's power generation activities, including natural gas and renewable electricity generation. In 2020, 63% of IEnova's power generation capacity came from renewable sources and generated 1,996,222 MWh of renewable and carbon-free power. As a result of the growth in IEnova's renewable power generation, their carbon intensity has decreased. In 2020 IEnova's carbon intensity was 0.25 t CO2e/MWh, a 13.8% reduction compared to 2019, and is expected to continue to decrease with the addition of two solar facilities in 2021.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to reduce methane emissions
Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 2

Year target was set

2016

Target coverage

Business division

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Other, please specify
Other, please specify
Energy storage capacity

Target denominator (intensity targets only)

Base year

2016

Figure or percentage in base year

0

Target year

2021

Figure or percentage in target year

165

Figure or percentage in reporting year

174.15

% of target achieved [auto-calculated]

105.5454545455

Target status in reporting year

Achieved

Is this target part of an emissions target?

The target to develop or interconnect at least 165 MW of energy storage on the system by 2021 (SDG&E) is part of California's overall efforts to reduce greenhouse gas emissions in the state and achieve 100% renewable or zero-carbon electricity by 2045.

Is this target part of an overarching initiative?

Other, please specify

This is part of California's overall efforts to reduce greenhouse gas emissions in the state and achieve 100% renewable or zero-carbon electricity by 2045.

Please explain (including target coverage)

This target covers SDG&E's operations as it works to achieve the state's mandate of 100% renewable or zero-carbon electricity delivered by 2045. Grid modernization is required to manage increasingly complex power flows to integrate renewable energy, and energy storage is

essential for this decarbonization strategy. The development and interconnection of at least 165 megawatts of energy storage on SDG&E system by 2021 is one of the efforts that will help reduce greenhouse gas emissions in the state of California.

Target reference number

Oth 1

Year target was set

2018

Target coverage

Business activity

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Other, please specify

Other, please specify

Number of zero-emissions vehicles in SDG&E service territory: Facilitate electric vehicle growth to meet the Governor's goal of 500,000 zero emissions vehicles in its service territory by 2030.

Target denominator (intensity targets only)

Base year

2018

Figure or percentage in base year

Target year

2030

Figure or percentage in target year

500,000

Figure or percentage in reporting year

56,274

% of target achieved [auto-calculated]

Target status in reporting year

Underway

Is this target part of an emissions target?

In January of 2018, the state of California signed Executive Order B-48-18 in an effort to reduce the state's overall greenhouse gas emissions in the transportation sector. The purpose of the Executive Order is to increase the supply of zero-emission vehicles and charging and refueling stations in California. The Executive Order established a series of milestones toward a long-term target of 1.5 million zero-emissions vehicles on California's roadways by 2025 and 5 million by 2030. In SDG&E's service territory, this target represents 500,000 zero emissions vehicles by 2030. Transportation accounts for 55% of all the greenhouse gas emissions in the city of San Diego, so this effort will reduce a significant portion of the emissions in SDG&E's service territory. In September of 2020 California's governor increased this ambition and signed an Executive Order banning the sale of new gas cars and trucks by 2035.

Is this target part of an overarching initiative?

Other, please specify

This is part of state of California's Executive Order B-48-18 aiming to reduce the state's overall greenhouse gas emissions in the transportation sector.

Please explain (including target coverage)

Part of California governor's goal of 500,000 electric vehicles in San Diego region by 2030. As of December 2020, SDG&E has helped increase the number of light duty zero emissions vehicles in it's service territory to approximately 56,274 and has installed over 3,200 electric vehicle charging stations.

Target reference number

Oth 3

Year target was set

Target coverage

Business division

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Low-carbon vehicles

Percentage of low-carbon vehicles in company fleet

Target denominator (intensity targets only)

Base year

Figure or percentage in base year

0

Target year

2025

Figure or percentage in target year

50

Figure or percentage in reporting year

30

% of target achieved [auto-calculated]

60

Target status in reporting year

Replaced

Is this target part of an emissions target?

This target is part of SoCalGas' ASPIRE 2045 plan to replace 50% of SoCalGas' over-the-road fleet with electric, hybrid, renewable gas, and fuel cell electric vehicles by 2025. By 2035, SoCalGas plans to operate a 100% zero emission over-the-road fleet. As of 2020, SoCalGas' fleet consisted of 1,280 alternative fuel vehicles (NGV), of a total of 4,080 vehicles, or approximately 30%.

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

The target coverage is specifically for SoCalGas. This is an internal goal to have a majority alternative fuel fleet by 2020. As of 2020, SoCalGas' fleet consisted of 1,280 alternative fuel vehicles (NGV), of a total of 4,080 vehicles. SoCalGas continues to replace older emissions equipped vehicles as required by CARB. 84% of vehicles acquired in 2020 were alternative fuel vehicles.

Target reference number

Oth 4

Year target was set

Target coverage

Business division

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Low-carbon vehicles

Percentage of low-carbon vehicles in company fleet

Target denominator (intensity targets only)

Base year

2020

Figure or percentage in base year

3.9

Target year

2040

Figure or percentage in target year

100

Figure or percentage in reporting year

3.9

% of target achieved [auto-calculated]

0

Target status in reporting year

Replaced

Is this target part of an emissions target?

This target is part of SDG&Es' sustainability strategy to transition 30% of its overall fleet to Zero Emission Vehicles (ZEV) by 2030, and operate 100% ZEV by 2040.

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

The target coverage is specifically for SDG&E. As of 2020, 3.9% of SDG&E's overall fleet consisted of ZEVs. SDG&E aims to transition 30% of the fleet to ZEV by 2030 and operate a 100% ZEV fleet by 2040.*

*Based on the CPUC and CARB ZEV technologies definition, which includes full battery electric vehicles, plug-in hybrid electric vehicles and hydrogen fuel cell vehicles.

Target reference number

Oth 6

Year target was set

2020

Target coverage

Business division

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Low-carbon vehicles

Percentage of battery electric vehicles in company fleet

Target denominator (intensity targets only)

Base year

2020

Figure or percentage in base year

12.1

Target year

2030

Figure or percentage in target year

100

Figure or percentage in reporting year

12.1

% of target achieved [auto-calculated]

0

Target status in reporting year

New

Is this target part of an emissions target?

In addition to SDG&E's plan to transition 30% of the fleet to ZEV by 2030 and operate a 100% ZEV fleet by 2040*, SDG&E aims to electrify 100% of their light duty fleet by 2030.

*Based on the CPUC and CARB ZEV technologies definition, which includes full battery electric vehicles, plug-in hybrid electric vehicles and hydrogen fuel cell vehicles.

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

The target coverage is specifically for SDG&E. As of 2020, 12.1% of SDG&E's light duty fleet was electrified. Additionally, SDG&E has a related sustainability goal to transition 30% of the fleet to zero-emission vehicles (ZEV) by 2030 and operate a 100% ZEV fleet by 2040.* Refer to target reference number 'Oth 4' above for details.

*Based on the CPUC and CARB ZEV technologies definition, which includes full battery electric vehicles (BEV), plug-in hybrid electric vehicles (PHEV) and hydrogen fuel cell vehicles.

Target reference number

Oth 5

Year target was set

2019

Target coverage

Business division

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Fossil fuel reduction target

Percentage of fossil fuels in the fuel mix

Target denominator (intensity targets only)

Base year

2020

Figure or percentage in base year

Target year

2030

Figure or percentage in target year

20

Figure or percentage in reporting year

% of target achieved [auto-calculated]

Target status in reporting year

Underway

Is this target part of an emissions target?

SoCalGas has set a goal that by 2030, 20% of the natural gas that it delivers to SoCalGas core customers will be from renewable natural gas that is released from the decomposition of organic matter (with an interim goal of 5% by 2025). SoCalGas has released a broad, inclusive and integrated plan to help achieve California's ambitious emissions goals. More details can be found here: https://www.socalgas.com/sites/default/files/1443742359071/scg-executive-summary-white-paper.pdf.

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

The target coverage is specifically for SoCalGas. SoCalGas is the largest natural gas distribution utility in the United States. SoCalGas works to deliver affordable, reliable and increasingly renewable gas service to 22 million customers across 24,000 square miles of service territory, where more than 90% of residents use natural gas for heating, hot water, cooking, drying clothes or other uses. Gas delivered through the company's pipelines also plays a key role in providing electricity to Californians— about 45% of electric power generated in the state comes from gas-fired

power plants.

SoCalGas' mission is to build the cleanest gas utility in North America, by delivering affordable and increasingly renewable energy to its customers. In support of that vision, SoCalGas has set a goal to replace 20% of its traditional natural gas supply delivered to core customers with RNG by 2030 (with an interim goal of 5% by 2022). By developing renewable gas from our state's abundant organic waste streams, we can help to meet our climate goals sooner, while diversifying our carbon-free energy sources, improving energy resilience and reliability, and also creating additional renewable fuel and jobs for our communities. SoCalGas is also committed to investing in its gas delivery infrastructure while keeping bills affordable for customers.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	24	651,985
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Other, please specify

Other, please specify

Vented emissions reductions; natural gas capture/prevention

Estimated annual CO2e savings (metric tonnes CO2e)

65,995

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

490,000

Investment required (unit currency – as specified in C0.4)

15,600,000

Payback period

>25 years

Estimated lifetime of the initiative

>30 years

Comment

Also includes reductions of vented emissions. SoCalGas has been a member of the US EPA Natural Gas STAR program since 1994. Through this program, SoCalGas has networked with other program members to identify partner-reported opportunities working to adopt best management practices. In 2020, SoCalGas reported a reduction in fugitive emissions (scope 1) by such practices as reclaiming rather than blowing to atmosphere the natural gas remaining in a pipeline preceding pipeline maintenance operations. In 2020, SoCalGas' reduction amounted to 65,995 metric tons CO2e in potential vented emissions through activities including pressure adjustments, and altered emergency shutdown practices. In addition to these efforts, SoCalGas has also been implementing other technology that is reducing fugitive emissions. This includes a system that captures natural gas associated with pipeline testing and replacement (instead of venting it to the atmosphere); sensors that read methane levels every five minutes near high pressure pipelines to improve early leak detection; and infrared thermal-imaging cameras that can detect even the tiniest leak.

Payback period and estimated lifetime of the initiative vary, depending on the specific type of work completed.

Initiative category & Initiative type

Other, please specify

Other, please specify

Energy efficiency programs for customers

Estimated annual CO2e savings (metric tonnes CO2e)

453,059

Scope(s)

Scope 3

Voluntary/Mandatory

Mandatory

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

190,000,000

Payback period

1-3 years

Estimated lifetime of the initiative

Ongoing

Comment

Sempra's California utilities help customers reduce their energy use and the resulting impact on the environment through energy efficiency and energy conservation programs. Scope: This represents a reduction in our scope 3 emissions from use of electricity and natural gas sold to customers, and ultimately scope 1 emissions due to a reduction in demand from our utility customers. In 2020, customer energy efficiency at our California utilities saved approximately 333 gigawatt-hours of electricity and approximately 41.2 million therms of natural gas. * Approximately $190 million was allocated by SDG&E and SoCalGas to implement energy efficiency programs for customers in 2020. The energy-saving programs reduced CO2 by an estimated 453,059 metric tons. In California, utilities are typically rewarded through financial incentives for meeting energy efficiency goals. *Preliminary numbers

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Initiative category & Initiative type

Other, please specify

Other, please specify

Vented emissions reductions; natural gas capture/prevention

Estimated annual CO2e savings (metric tonnes CO2e)

114,354

Scope(s)

Scope 1

Voluntary/Mandatory

Mandatory

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period

Estimated lifetime of the initiative

Comment

This initiative is part of Sempra's plan to achieve zero natural gas vented during planned transmission pipeline work (SDG&E and SoCalGas, excludes emergency repairs). During pipeline testing , natural gas that would otherwise be released into the atmosphere is captured. SoCalGas has reduced these emissions more than 33% as compared to a 2015 baseline, preventing the release of more than 114,354 tons of CO2e (303,193 MCF) in 2020.

Initiative category & Initiative type

Fugitive emissions reductions

Oil/natural gas methane leak capture/prevention

Estimated annual CO2e savings (metric tonnes CO2e)

18,577

Scope(s)

Scope 1

Voluntary/Mandatory

Mandatory

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period

11-15 years

Estimated lifetime of the initiative

6-10 years

Comment

This initiative is mandatory for our California utilities and voluntary for our Mexico gas distribution and transmission operations. SDG&E and SoCalGas have 25+ emissions reductions activities underway to reduce fugitive emissions from natural gas infrastructure. This includes actively monitoring high-pressure pipelines using advanced sensors; capturing natural gas that would otherwise be released into the atmosphere during some pipeline testing; and using the latest technologies including drones and dedicated sensors to conduct leakage surveys.

In 2020, SoCalGas and SDG&E were able to achieve a 19.7% and 9%** reduction of fugitive emissions over the baseline, respectively, and a total reduction of 18,577 metric tons of CO2e from 2020 to 2019 (SDG&E and SoCalGas).

**Based on the current CPUC reporting templates, SoCalGas' current emissions reduction from the 2015 official baseline is 35%, while SDG&E's is 39.6%; the reporting templates do not take into account any reporting changes since 2015, such as using company-specific Emissions Factors, Leaker-Based estimation methodology, and template changes. The Emissions Strategy Team will work with the CPUC over the summer to work towards implementing these adjustments. Please note once all proposed adjustments are accepted by the CPUC, we expect SoCalGas' and SDG&E's emissions reductions from the 2015 official adjusted baseline to be approximately 19.7% and 9%, respectively.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	Most states have a renewable energy requirement or goal and these requirements are a critical part of the domestic energy resource mix. Compliance with renewable portfolio standards in California and Mexico has driven purchases and development of renewable power.
Dedicated budget for energy efficiency	Energy efficiency programs also play a critical role in reducing emissions. Examples of energy efficiency programs at SDG&E and/or SoCalGas include: • Time-of-use rates for customers; • Peak-demand campaigns such as “reduce your use” and “dial it down”; and • In-home efficiency programs that provide customers with more efficient appliances, weather stripping and other upgrades at no cost. In 2020, customer energy efficiency at our California utilities saved approximately 333 gigawatt-hours of electricity and approximately 41.2 million therms of natural gas. Their 2021 goals, established by the CPUC, are 240 gigawatt-hours and 39.7 million therms. Approximately $190 million was allocated by SDG&E and SoCalGas to implement energy efficiency programs for customers in 2020.* *Preliminary data.
Dedicated budget for low-carbon product R&D	At each of our California utilities there is a dedicated budget for work on developing innovative technology: smart grid, electric vehicles, hydrogen, renewable natural gas and carbon capture and storage research and demonstration projects. For example, SoCalGas' H2 hydrogen home is the first project of its kind in the U.S. aiming to show how carbon-free gas made from renewable electricity can be used in pure form or as a blend to fuel clean energy systems of the future. The project was named one of Fast Company magazine’s World Changing Ideas and aims to demonstrate the important role of hydrogen in helping the state achieve its carbon neutrality goals. SoCalGas spent more than $16 million in research and development projects in 2020.
Employee engagement	We work to educate and support employees as they strive to reduce energy use in facilities and fuel use while driving. We also have employee-driven sustainability teams at several locations that engage employees on reducing their impacts at home and at work.

Internal incentives/recognition programs	Our operating companies offer recognition to employees, as well as performance incentives, where applicable and our California utilities offer rebates and incentives to customers.
Partnering with governments on technology development	Sempra's operating companies work closely with governments and government agencies, , including the California Energy Commission, the U.S. Department of Energy and National Labs to advance high-impact, lower carbon technologies. For example, SoCalGas and the Pacific Northwest National Laboratory (PNNL) announced the U.S. Department of Energy (DOE) has awarded $300,000 in funding to a project that would advance the development of a process called Integrated CO2 Capture and Conversion to Methanol (ICCCM). Carbon capture and utilization (CCU) projects are an important component in helping California achieve its climate goal of having a net zero economy by 2045. CCU projects aim to harness carbon before it can be emitted into the atmosphere. The carbon is then typically used to make chemicals that become resins and plastic materials. The DOE funding for this project is expected to be used to design, fabricate and demonstrate a modular ICCCM prototype for the combined capture and conversion of CO2 into methanol. As part of the research, the commercial viability of the prototype will also be assessed. The unit will be designed for installation at an industrial CO2 source, such as an electric generation or anaerobic digestion facility.
Dedicated budget for other emissions reduction activities	Funds are allocated specifically for emissions reduction initiatives, including building energy efficiency, fugitive emissions reductions, pipeline upgrades, and the purchase of alternative-fuel fleet vehicles. In addition, given our focus on low and zero carbon sources of energy, our capital expenditure budget includes funds for projects that target emissions reductions: the construction of renewable energy facilities; alternative fuel vehicle infrastructure; battery storage; and electric and gas distribution system upgrades to accommodate increasing amounts of renewable electricity and gas.
Internal price on carbon	An internal price of carbon is particularly relevant for our utilities in California, where a cap and trade program has been adopted. SDG&E and SoCalGas were asked by the California Public Utilities Commission to calculate cap and trade compliance costs and thus, a proxy price was developed to forecast the price of allowances to protect confidential information related to GHG allowance prices and bid strategies in accordance with regulations. SoCalGas and SDG&E's methodology is based on the forward Intercontinental Exchange (ICE) settlement price of a California Carbon Allowance

	with December delivery in the forecast year. The proxy for the 2019 GHG emissions price was $18.16 per metric ton. The Proxy GHG Allowance price is the 5-day average of forward prices for October 1-4 and October 7 on the ICE for a California Carbon Allowance with December delivery in 2020. We are now looking into other potential uses of this price, such as evaluating benefits of energy efficiency and other internal emissions reduction initiatives.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Group of products

Description of product/Group of products

Energy efficiency is a key component of Sempra's low carbon business model. In California, profits are not tied to the amount of energy sold. This policy ("de-coupling") has helped align energy and environmental interests and has facilitated a record of strong energy efficiency performance. Programs include rebates for energy-efficient appliances, demand-response programs, energy-efficient lighting programs, and on-bill financing for retrofits in commercial and government buildings. These programs result in reductions of scope 1 and scope 2 emissions of our customers and scope 3 emissions reported by us. In 2020 alone energy efficiency programs at SDG&E resulted in electricity savings of 333,000 MWh and reduced demand by 57 MW*. SoCalGas and SDG&E's customer energy efficiency programs saved more than 41 million therms of natural gas in 2020*. These electric and gas energy efficiency efforts reduced CO2 emissions by more than 450,000 metric tons over the year. *Preliminary numbers.

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify

CPUC approved energy efficiency programs

% revenue from low carbon product(s) in the reporting year

0

Comment

The California Public Utilities Commission typically provides regulatory and financial incentives to investor-owned utilities based on the effectiveness of energy efficiency programs, but these don't contribute significantly to revenues.

Level of aggregation

Group of products

Description of product/Group of products

Sempra's subsidiary in Mexico, IEnova, develops and operates renewable generation facilities. In addition, SDG&E procures renewable generation for their customers. This displaces the need for fossil fuel generation and reduces scope 2 emissions for customers and third parties. In 2020 IEnova's wind and solar generation facilities produced more than 1.6 million MWh of electricity, avoiding approximately 986,134 metric tons of CO_2e emissions.

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Low-Carbon Investment (LCI) Registry Taxonomy

% revenue from low carbon product(s) in the reporting year

1

Comment

The revenue figure represents the percentage of Sempra revenues that came from IEnova wind and solar projects in 2020.

Level of aggregation

Group of products

Description of product/Group of products

Given that about 40% of GHG emissions in the U.S. come from transportation, vehicles that run on natural gas and electricity can be instrumental in improving the environment. SDG&E works with customers on how to integrate electric vehicles and charging infrastructure into homes and work environments. In addition, SoCalGas' and SDG&E's natural gas vehicle (NGV) program provides information, education and training to operators of NGVs and more than 390 NGV refueling stations located throughout Southern California. Alternative fuel vehicles reduce scope 1 emissions for third parties. In 2020, SoCalGas and SDG&E delivered more than 160 million therms to customers operating NGVs and NGV refueling stations, equivalent to 133 million gallons of gasoline, which reduced CO2e emissions by approximately 1.2 million metric tons. Through the Power your Drive program, SDG&E is installing more than 3,000 electric vehicle charging stations in support of the California governor's goal of 500,000 zero emissions vehicles in SDG&E's service territory by 2030. As of the end of 2020, more than 3,000 charging units had been installed in SDG&E’s service territory, leading to avoided emissions from gasoline-powered vehicles.

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify

CPUC-approved clean transportation initiatives

% revenue from low carbon product(s) in the reporting year

0.4

Comment

C-EU4.6

(C-EU4.6) Describe your organization's efforts to reduce methane emissions from your activities.

Our California utilities, SDG&E and SoCalGas, have been working to upgrade infrastructure and processes to reduce methane emissions for decades. According to California-based emission factors used for Senate Bill 1371 "Natural Gas Leakage Abatement" reporting in 2020, the emission rates for transmission and distribution systems ranged from 0.05 to 0.25% for SoCalGas and 0.04 to 0.27% for SDG&E; an average between the two systems of ~0.15%.

They achieve these results in a variety of ways. SDG&E and SoCalGas are using the latest advanced monitoring technologies to conduct leakage surveys and monitor storage operations. These include drones, infrared fence-line monitoring, around-the-clock pressure monitoring of all wells in a 24-hour operations center, four-times-a-day patrols to examine every well, fiber optic cable and point sensors. SoCalGas was first in the nation to aerially map methane emissions across its gas network to identify opportunities to reduce emissions.

SDG&E and SoCalGas are modernizing equipment in metering and regulating facilities to utilize zero or lower emitting devices than previously available. They eliminated cast iron pipe from the system two decades ago and are prioritizing the replacement of pipe that does not meet current standards for the prevention of corrosion. They are also reducing natural gas vented during planned transmission pipeline maintenance. SoCalGas adds captured methane emissions from landfills, sewage treatment plants and dairies to its natural gas distribution system. In fact, the company has a goal that, by 2030, this type of methane, also known as renewable natural gas (RNG), will constitute 20% of the natural gas it delivers to core customers. In addition, in 2018 SoCalGas injected the first California-produced RNG into its pipeline system.

Across our operations, we work to maintain compliance of our U.S. operations with the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) regulations for infrastructure monitoring and testing, and we implement certain recommended management practices through programs such as the U.S. Environmental Protection Agency's Natural Gas STAR program. Our California utilities are subject to California state law, which specifies 26 best practices for leak prevention, detection and repair.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1, 2007

Base year end

December 31, 2007

Base year emissions (metric tons CO2e)

9,906,143

Comment

Scope 2 (location-based)

Base year start

January 1, 2007

Base year end

December 31, 2007

Base year emissions (metric tons CO2e)

535,359

Comment

Scope 2 (market-based)

Base year start

January 1, 2007

Base year end

December 31, 2007

Base year emissions (metric tons CO2e)

0

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Climate Registry: Electric Power Sector (EPS) Protocol
The Climate Registry: General Reporting Protocol
US EPA Mandatory Greenhouse Gas Reporting Rule
Other, please specify
California Air Resources Board (CARB) subpart c, w; CARB oil and gas regulation; Mexico federal guidelines

C5.2a

(C5.2a) Provide details of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

California Air Resources Board (CARB) subpart c, w; CARB oil and gas regulation; California Air Resources Board (CARB) subpart c, w; CARB oil and gas regulation;
IPCC Guidelines for National Greenhouse Gas Inventories, 2006

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

Mexico's National Registry of Greenhouse Gases, better known as RENE for its acronym in Spanish; GWP used are those published by the Energy Regulatory Commission (CRE), and factor emissions published by Federal environmental authority (SEMARNAT)

C6. Emissions data

C6.1

(C6.1) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

6,732,749

Comment

2020 emissions data are unverified and may be adjusted per the results of third party verification.

C6.2

(C6.2) Describe your organization’s approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

150,539

Scope 2, market-based (if applicable)

150,254

Comment

Currently only SDG&E and SoCalGas calculate scope 2 market-based emissions.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source

Scope 2 emissions from the Cameron LNG facility

Relevance of Scope 1 emissions from this source

No emissions excluded

Relevance of location-based Scope 2 emissions from this source

Emissions are relevant but not yet calculated

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are relevant but not yet calculated

Explain why this source is excluded

Construction was completed on the Cameron LNG facility during 2020. Energy consumption was tracked and the facility is evaluating reporting scope 2 emissions in future years.

Source

Oncor

Relevance of Scope 1 emissions from this source

Emissions excluded due to recent acquisition

Relevance of location-based Scope 2 emissions from this source

Emissions excluded due to recent acquisition

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions excluded due to recent acquisition

Explain why this source is excluded

Sempra owns an 80.25% interest in Oncor, acquired in March 2018. Certain ring-fencing measures limit our ability to direct the management of Oncor. We continue to work to increase completeness of environmental data collected by Oncor, including any emissions data. Oncor does not generate electricity and is a transmission and distribution utility and emissions are likely to be limited due to their business model.

In the Texas market, investor-owned utilities are no longer vertically integrated, and their functions have been split among three groups of companies:
• Electricity generators, who produce electricity in a deregulated, competitive environment;
• Retail electric providers, who market electricity plans to end-use customers, also in a deregulated, competitive environment; and
• Transmission and distribution utilities, who remain regulated as natural-monopoly utilities and who deliver the electricity. (Oncor is a transmission and distribution utility)

Source

Small blowdowns with chamber volume of less than 50ft3 (e.g. regulator station blowdowns for maintenance)

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

No emissions excluded

Relevance of market-based Scope 2 emissions from this source (if applicable)

No emissions excluded

Explain why this source is excluded

These emissions are excluded from Subpart W reporting and are therefore excluded from this report. We do not believe these emissions are relevant to overall totals.

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Not relevant, explanation provided

Please explain

In 2014 we completed a supply chain analysis for our corporate center, SDG&E, and SoCalGas suppliers which provided us with an estimate of greenhouse gas emissions from purchased goods and services (outside of the energy supply chain) based on our 2013 suppliers and spend. Based on this evaluation we do not consider these emissions to be relevant considering the quantity of emissions from other sources.

Capital goods

Evaluation status

Not relevant, explanation provided

Please explain

We do not believe these emissions are relevant considering the quantity of emissions from other sources

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Metric tonnes CO2e

1,616,371

Emissions calculation methodology

The Climate Registry’s Electric Power Sector Protocol v1.0 Emissions from Purchased Power [MT GHG] = Power Delivered onto System [MWh] x Emission Factor [MT GHG/MWh] This calculation is repeated for each GHG (CO2, CH4, N2O) using the appropriate emission factors.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Emissions provided are for power purchased on behalf of and delivered to our utility SDG&E's customers.

Upstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Please explain

The primary products in Sempra Energy's supply chain are electricity and natural gas. The emissions that arise from the transportation and distribution of these products are included in our scope 1 and 2 emissions figures. We do not consider any other emissions from transportation and distribution to be relevant considering the quantity of emissions from other sources.

Waste generated in operations

Evaluation status

Not relevant, explanation provided

Please explain

We do not believe these emissions are relevant considering the quantity of emissions from other sources.

Business travel

Evaluation status

Not relevant, calculated

Metric tonnes CO2e

1,239

Emissions calculation methodology

Emissions from employee air travel are calculated by our corporate travel services. Flights are categorized into short, medium, and long-haul. Total distance travelled in each category is then multiplied by the appropriate emissions factor using the World Resources Initiative Global Reporting Protocol.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Emissions provided are for employee air travel booked through Sempra's travel services companies and do not include all work-related flights taken by employees.

Employee commuting

Evaluation status

Not relevant, explanation provided

Please explain

We do not believe these emissions are relevant considering the quantity of emissions from other sources.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Leased assets are not a significant part of our operations.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Please explain

We do not believe these emissions are relevant considering the quantity of emissions from other sources.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Most of the electricity and natural gas sold by Sempra companies is sold to end users and not used as an intermediate product.

Use of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

64,512,021

Emissions calculation methodology

Emissions from delivery of natural gas to our end users are calculated based on Subpart NN of CARB reporting regulation. Using aggregated natural gas volumes (Mcf) we use the measured high heating value to convert to equivalent MMBtu of total gas supplied. The MMBtu/yr value was then multiplied by the approved CARB emission factor 53.02 kg CO2/MMBtu to render the CO2 totals for the year. CH4 and N2O are calculated from emission factors of 0.001 and 0.0001 kg/MMBtu, respectively.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Emissions resulting from the combustion of natural gas sold to SoCalGas, SDG&E and IEnova customers.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Sempra businesses sell natural gas and electricity. End of life treatment is not relevant for these products.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

We do not believe these emissions are relevant considering the quantity of emissions from other sources.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

Sempra does not have any franchises.

Investments

Evaluation status

Not relevant, explanation provided

Please explain

We do not have any investments that would not be included in our scope 1 or scope 2 emissions.

Other (upstream)

Evaluation status

Relevant, not yet calculated

Please explain

Emissions related to the production and transportation of natural gas used in our operations has not yet been calculated.

Other (downstream)

Evaluation status

Please explain

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.0006

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

6,881,075

Metric denominator

unit total revenue

Metric denominator: Unit total

11,370,000,000

Scope 2 figure used

Location-based

% change from previous year

15

Direction of change

Increased

Reason for change

Sempra's revenue increased by 5 percent from 2019 to 2020 and emissions increased by 21 percent due to the start up of operations at the Cameron LNG facility, leading to an overall increase of 15 percent in this intensity figure year-over-year.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	4,927,775	IPCC Second Assessment Report (SAR - 100 year) 1
CH4	1,779,816	IPCC Second Assessment Report (SAR - 100 year) 2
SF6	3,107	IPCC Second Assessment Report (SAR - 100 year)

		💬3
N2O	3,476	IPCC Second Assessment Report (SAR - 100 year) 💬4
HFCs	3,630	IPCC Second Assessment Report (SAR - 100 year) 💬5

💬1GWP utilized may vary by operating company and reporting requirements.

💬2GWP utilized may vary by operating company and reporting requirements.

💬3GWP utilized may vary by operating company and reporting requirements.

💬4GWP utilized may vary by operating company and reporting requirements.

💬5GWP utilized may vary by operating company and reporting requirements.

C-EU7.1b

(C-EU7.1b) Break down your total gross global Scope 1 emissions from electric utilities value chain activities by greenhouse gas type.

	Gross Scope 1 CO2 emissions (metric tons CO2)	Gross Scope 1 methane emissions (metric tons CH4)	Gross Scope 1 SF6 emissions (metric tons SF6)	Total gross Scope 1 emissions (metric tons CO2e)	Comment
Fugitives	2,399	74,710	0	1,599,753	
Combustion (Electric utilities)	1,396,886	23	0	1,268,463	
Combustion (Gas utilities)	145,264	3	0	145,406	
Combustion (Other)	1,648	0	0.03	1,650	

Emissions not elsewhere classified	0	0	0	0	

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
United States of America	4,898,955
Mexico	1,833,794

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
SDG&E	1,416,282
SoCalGas	1,675,413
Sempra Mexico	1,833,794
Sempra LNG	1,807,260

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Comment
Electric utility activities	2,445,064	Power plant stationary combustion emissions in the U.S. and Mexico

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
United States of America	139,903	139,609	4,033,610	0
Mexico	10,636	0	23,665	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
SDG&E	117,957	117,957

SoCalGas	20,270	19,976
Sempra Mexico	10,636	0
Sempra LNG	1,970	0

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	
Other emissions reduction activities	198,926	Decreased	2	This decrease is due to emissions reduction activities related to vented and fugitive emissions, resulting in a total reduction of approximately 198,926 metric tons CO2e. Our total Scope 1 and 2 emissions in the previous year were 5,692,181 metric tons CO2e. Therefore, we arrived at a 3% decrease: (198,826/5,692,181) *100.
Divestment	0	No change	0	

Acquisitions	0	No change	0	
Mergers	0	No change	0	
Change in output	1,254,822	Increased	22	Emissions increased due to increased output at our Cameron LNG facility. In aggregate, emissions at our natural gas-fired power plants decreased due to maintenance at the TDM facility.
Change in methodology	4,586	Decreased		Scope 1 emissions show a reduction due to an improvement in emissions measurement of methane venting in pipelines.
Change in boundary	0	No change	0	
Change in physical operating conditions	0	No change	0	
Unidentified				
Other				

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 30% but less than or equal to 35%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	16,711,943	16,711,943
Consumption of purchased or acquired electricity		143,564	3,913,710	4,057,275
Consumption of self-generated non-fuel renewable energy		4,169		4,169
Total energy consumption		147,734	20,625,653	20,773,387

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Natural Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

16,531,093.8

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Emission factor

53.02

Unit

kg CO2 per million Btu

Emissions factor source

17 CCR Section 95115 (CARB GHG reporting regulation)

Comment

0.001 Kg CH4 per million BTU 0.0001 Kg N2O per million BTU

Fuels (excluding feedstocks)

Compressed Natural Gas (CNG)

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

12,214

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Emission factor

0.05444

Unit

kg CO2 per gallon

Emissions factor source

TCR Table 13.1

Comment

The CNG conversion factor of 127 scf per GGE is not in available as an option in the drop down list. CNG usage is provided in gallons. This is converted to kg CO2 per GGE by multiplying by 0.05444 x 127.

Fuels (excluding feedstocks)

Diesel

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

30,945.37

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Emission factor

73.96

Unit

kg CO2 per million Btu

Emissions factor source

17 CCR Section 95115 (CARB GHG reporting regulation)

Comment

0.003 Kg CH4 per million BTU 0.0006 Kg N2O per million BTU

Fuels (excluding feedstocks)

Motor Gasoline

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

102,643.23

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Emission factor

70.22

Unit

kg CO2 per million Btu

Emissions factor source

17 CCR Section 95115 (CARB GHG reporting regulation)

Comment

0.003 Kg CH4 per million BTU 0.0006 Kg N2O per million BTU

Fuels (excluding feedstocks)

Propane Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

35,045.07

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Emission factor

0.091

Unit

kg CO2 per gallon

Emissions factor source

0.091 MMBTU/gallon is the default HHV listed in section 95115 of the CARB Mandatory Reporting Regulation for GHG emissions (17CCR Part 95). Conversion factor of 0.29307 MWh/MMBTU.

Comment

Fuels (excluding feedstocks)

Liquefied Petroleum Gas (LPG)

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

1.34

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Emission factor

63.1

Unit

kg CO2 per GJ

Emissions factor source

Mexico Government. AGREEMENT that establishes the technical characteristics and formulas for the application of methodologies for calculating greenhouse gas or compound emissions publish by Ministry of the Environment (SEMARNAT) of México Government. (DOF: 09/03/2015)
LPG is mainly used for forklifts at our Mexico operations.

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	7,738,569	143,672	1,729,393	11,798
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C-EU8.2d

(C-EU8.2d) For your electric utility activities, provide a breakdown of your total power plant capacity, generation, and related emissions during the reporting year by source.

Coal – hard

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Lignite

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Oil

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Gas

Nameplate capacity (MW)

1,829

Gross electricity generation (GWh)

6,009.18

Net electricity generation (GWh)

5,830.67

Absolute scope 1 emissions (metric tons CO2e)

2,445,064

Scope 1 emissions intensity (metric tons CO2e per GWh)

407

Comment

Biomass

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Waste (non-biomass)

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Nuclear

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Fossil-fuel plants fitted with CCS

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Geothermal

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Hydropower

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Wind

Nameplate capacity (MW)

407

Gross electricity generation (GWh)

1,093.86

Net electricity generation (GWh)

1,137.57

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Reflects current nameplate capacity, including the remaining 50% interest in ESJ's wind project (77.5 MW) which was acquired in March 2021.

Solar

Nameplate capacity (MW)

529

Gross electricity generation (GWh)

635.54

Net electricity generation (GWh)

626.66

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Reflects current nameplate capacity, including Border Solar (150 MW), which entered into operation in Q1 2021.

Marine

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Other renewable

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Other non-renewable

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Total

Nameplate capacity (MW)

2,765

Gross electricity generation (GWh)

7,738.57

Net electricity generation (GWh)

7,594.9

Absolute scope 1 emissions (metric tons CO2e)

2,445,064

Scope 1 emissions intensity (metric tons CO2e per GWh)

316

Comment

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

C-EU8.4

(C-EU8.4) Does your electric utility organization have a transmission and distribution business?

Yes

C-EU8.4a

(C-EU8.4a) Disclose the following information about your transmission and distribution business.

Country/Region

United States of America

Voltage level

Transmission (high voltage)

Annual load (GWh)

17,880

Annual energy losses (% of annual load)

3.41

Scope where emissions from energy losses are accounted for

Scope 2 (location-based)

Emissions from energy losses (metric tons CO2e)

100,171

Length of network (km)

41,931

Number of connections

1,483,230

Area covered (km2)

10,619

Comment

This represents data for the combined transmission and distribution system of SDG&E, this data is not reported separately. Losses are primarily for the power sent over our transmission lines from the various sources. The 2019 FERC loss factor is used as the 2020 figure is not yet available.

Note the annual energy loss rate and emissions reflect the updated values that were submitted to The Climate Registry (TCR) in June 2021. 2020 emissions are subject to verification.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C-EU9.5a

(C-EU9.5a) Break down, by source, your total planned CAPEX in your current CAPEX plan for power generation.

Primary power generation source	CAPEX planned for power generation from this source	Percentage of total CAPEX planned for power generation	End year of CAPEX plan	Comment
Wind	154,500,000	48	2025	IEnova wind- announced projects
Solar	23,700,000	7	2025	IEnova solar- announced projects
Gas	145,600,000	45	2025	SDG&E and IEnova natural gas-fired power plants

C-EU9.5b

(C-EU9.5b) Break down your total planned CAPEX in your current CAPEX plan for products and services (e.g. smart grids, digitalization, etc.).

Products and services	Description of product/service	CAPEX planned for product/service	Percentage of total CAPEX planned products and services	End of year CAPEX plan
Large-scale storage	Energy storage at grid scale can help mitigate the effects of renewable energy intermittency and energy shifting. Over time, energy-storage and energy-shifting capabilities will need to expand to manage daily intermittency needs and mitigate the impact of lengthy weather events. Besides charging primarily when there is an overabundance of renewables and prices are low and discharging later in the day when solar is coming offline, these batteries can provide ancillary services to help maintain grid stability.	155,100,000	1.6	2025

Charging networks	This includes planned capital expenditures related to the implementation of California assembly bills 1082 and 1083 which will allow SDG&E to install a mix of public DC fast chargers and level 2 chargers. CAPEX is also planned for charging infrastructure for medium and heavy-duty vehicles.	119,600,000	1.2	2025
Micro-grid	SDG&E is committed to modernizing the power grid to integrate more clean energy, enhance reliability and improve safety. Microgrids, basically mini power grids, use technologies such as energy storage to provide power to specific communities/neighborhoods if an outage occurs on the larger grid.	49,500,000	0.5	2025
Smart grid	There is a strong need for a smarter energy infrastructure and smart grid solutions. The energy industry is quickly transforming, and changes to SDG&E's power supply resource mix are impacting many aspects of the region's electricity system. We are working to transform the smart grid to accommodate these changes.	1,400,000	0.4	2025

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	

C-CO9.6a/C-EU9.6a/C-OG9.6a

(C-CO9.6a/C-EU9.6a/C-OG9.6a) Provide details of your organization's investments in low-carbon R&D for your sector activities over the last three years.

Technology area	Stage of development in the reporting year	Average % of total R&D investment over the last 3 years	R&D investment figure in the reporting year (optional)	Comment
Unable to disaggregate by technology area		81-100%	1,300,000	This represents 2020 expenditures for the electric program investment charge (EPIC). The California Public Utilities Commission (CPUC) established EPIC to assist the development of non-commercialized new and emerging clean energy technologies in California while providing assistance to commercially viable projects. EPIC consists of three program areas: (1) Applied research and development; (2) Technology demonstration and deployment; and (3) Market facilitation, consisting of market research, regulatory permitting and streamlining, and workforce development activities. EPIC activities must be designed to produce electricity ratepayer benefits for customers.
Unable to disaggregate by technology area		81-100%	16,000,000	This represents 2020 R&D spending at SoCalGas, which is focused on the development of low-carbon technologies, including the use of hydrogen, renewable natural gas, fuel cells.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place

Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Underway but not complete for reporting year – previous statement of process attached

Type of verification or assurance

Reasonable assurance

Attach the statement

SDGE CY 2019 TCR-EPS-Verification-Statement-signed.pdf
TDM_CY2019_TCR_Verification report_vCOMPILED_signed.pdf
SoCalGas verification statement signed.pdf

Page/ section reference

SDGE CY 2019 TCR-EPS-Verification-Statement-signed.pdf: pages 1-4
SoCalGas verification statement signed.pdf: pages 1-3
TDM_CY2019_TCR_Verification report_vCOMPILED_signed.pdf: pages 1-4

Relevant standard

The Climate Registry's General Verification Protocol

Proportion of reported emissions verified (%)

63

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

IEnova_Sustainability_Financial_Report_2020.pdf

Page/ section reference

For IEnova scope 1 emissions, the Independent Assurance Report was published in its annual sustainability report on pages 182-183. The assurance process was performed according to ISAE 3000 principles and includes the verification of IEnova energy consumption and Scope 1, 2 and 3 emissions according to the methodology of the following GRI Standards:
302-1: Energy consumption within the organization
305-1: Direct GHG Emissions (Scope 1)

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

10

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Underway but not complete for reporting year – previous statement of process attached

Type of verification or assurance

Reasonable assurance

Attach the statement

SDGE CY 2019 TCR-EPS-Verification-Statement-signed.pdf

TDM_CY2019_TCR_Verification report_vCOMPILED_signed.pdf

SoCalGas verification statement signed.pdf

Page/ section reference

SDGE CY 2019 TCR-EPS-Verification-Statement-signed.pdf: pages 1-4

SoCalGas verification statement signed.pdf: pages 1-3
TDM_CY2019_TCR_Verification report_vCOMPILED_signed.pdf: pages 1-4

Relevant standard

The Climate Registry's General Verification Protocol

Proportion of reported emissions verified (%)

94

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

IEnova_Sustainability_Financial_Report_2020.pdf

Page/ section reference

For IEnova scope 2 emissions, the independent assurance report was published in its annual sustainability report on pages 182-183. The assurance process was performed according to ISAE 3000 principles and includes the verification of energy consumption and Scope 1, 2 and 3

emissions of IEnova operations according to the methodology of the following GRI Standards:
302-1: Energy consumption within the organization
305-2: Indirect GHG Emissions (Scope 2)

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

5

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Use of sold products

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Underway but not complete for reporting year – previous statement of process attached

Type of verification or assurance

Reasonable assurance

Attach the statement

CY19 SDGE Verification Report - NN.pdf

SoCalGas scope 3 EndUser_verification_statement 2019.pdf

Page/section reference

SoCalGas scope 3 EndUser_verification_statement 2019.pdf: pages 1-4
CY19 SDGE Verification Report - NN.pdf: pages 2-6

Relevant standard

California Mandatory GHG Reporting Regulations (CARB)

Proportion of reported emissions verified (%)

70

Scope 3 category

Scope 3: Use of sold products

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

IEnova_Sustainability_Financial_Report_2020.pdf

Page/section reference

For IEnova's scope 3 emissions, the Independent Assurance Report was published in its annual sustainability report on pages 183-184. The assurance process was performed according to ISAE 3000 principles and includes the verification of energy consumption and Scope 1, 2 and 3 emissions of IEnova operations

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

28

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C7. Emissions breakdown	Other, please specify Scope 1, 2 and 3 emissions breakdown	ISAE 3000 by the IAASB/IFAC considering the Global Reporting Initiative Standards The Climate Registry's	For SDG&E and SoCalGas operations verification of the breakdown of scope 1, 2, and 3 emissions by gas is verified through the climate registry verification process. For IEnova operations, as part of the sustainability report assurance process, the GRI indicators below were verified based on GRI standards. 305-1: Direct GHG Emissions 305-2: Energy Indirect GHG Emissions 305-3: Other Indirect GHG emissions

		General Verification Protocol	305-5: Reduction of GHG emissions
C8. Energy	Energy consumption	ISAE 3000 by the IAASB/IFAC considering the Global Reporting Initiative Standards	For our IEnova operations, we conducted an assurance process of some relevant indicators that are published in the annual sustainability and financial report. This report utilizes the methodology of the Global Reporting Initiative. 302-1: Energy consumption was verified.

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

California CaT - ETS

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

California CaT

% of Scope 1 emissions covered by the ETS

44

% of Scope 2 emissions covered by the ETS

0

Period start date

January 1, 2020

Period end date

December 31, 2020

Allowances allocated

28,692,111

Allowances purchased

Verified Scope 1 emissions in metric tons CO2e

3,091,695

Verified Scope 2 emissions in metric tons CO2e

0

Details of ownership

Facilities we own and operate

Comment

Verified scope 1 emissions data for 2020 are not yet available. GHG emissions data provided are unverified and subject to change pending the verification process.

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

The California Air Resources Board (CARB) regulations have required the electric sector to obtain GHG emissions allowances corresponding to reported GHG emissions from operations since 2013 and, starting in 2015, from the sale of natural gas to customers for use in California as part of the

Cap-and-Trade program. Under the program the CARB set a state-wide maximum limit on total GHG emissions, and this cap declines annually through 2030. We are required then to obtain allowances or qualifying offset credits for each metric ton of GHGs emitted from our operations and from the sale of natural gas to customers for use in California. The availability of allowances will decline over time, and the cost to acquire such allowances is expected to increase. SDG&E has been participating in the California Cap-and-Trade program since its inception in 2013 and SoCalGas since 2015. Each company employs its own strategy for managing the costs of compliance with the California Cap-and-Trade program rules, as well as for identifying opportunities to purchase cost-effective compliance instruments.

SDG&E and SoCalGas use public prices such as the floor price and other public external prices to determine our costs of compliance and make decisions. In 2020, the floor (reserve) price was $16.68. Under rules defined by the California Air Resources Board, SDG&E and SoCalGas are prohibited from disclosing any information about auction strategies. To manage compliance costs, SDG&E created a GHG procurement strategy in its Bundled Procurement Plan that was approved by the California Public Utilities Commission (CPUC) in 2012, 2014 and amended in 2018. This strategy allows SDG&E to employ several procurement mechanisms such as participation in CARB's quarterly allowance auctions, transacting via a request for offers process, transacting via broker and transacting via exchanges. The CPUC adopted similar procurement options for gas utilities in 2014.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price

Navigate GHG regulations

GHG Scope

Scope 1

Application

Given that Sempra's utilities SDG&E and SoCalGas are covered under the state of California's cap and trade program, they use a price of carbon to determine compliance costs.

Actual price(s) used (Currency /metric ton)

18.16

Variance of price(s) used

In this example, the price would be differentiated as it specifically applies to SDG&E and SoCalGas and cap and trade compliance costs. This value does not remain constant and is updated based on the results of the program.

Type of internal carbon price

Other, please specify

Market-based price

Impact & implication

An internal price of carbon is particularly relevant for our utilities in California, where a cap and trade program has been adopted. SDG&E and SoCalGas were asked by the California Public Utilities Commission to calculate cap and trade compliance costs and thus, a proxy price was developed to forecast the price of allowances to protect confidential information related to GHG allowance prices and bid strategies in accordance with regulations. SoCalGas and SDG&E's methodology is based on the forward Intercontinental Exchange (ICE) settlement price of a California Carbon Allowance with December delivery in the forecast year. The proxy for the 2019 GHG emissions price was $18.16/MT. The Proxy GHG Allowance price is the 5-day average of forward prices for October 1-4 and October 7 on the Intercontinental Exchange (ICE) for a California Carbon Allowance with December delivery in 2020. We are now looking into other potential uses of this price, such as evaluating benefits of energy efficiency and other internal emissions reduction initiatives.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Compliance & onboarding

Details of engagement

Included climate change in supplier selection / management mechanism

Climate change is integrated into supplier evaluation processes

% of suppliers by number

52

% total procurement spend (direct and indirect)

11

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

The information is for SDG&E and SoCalGas only based on 2020 data and information. Sempra's engagement with its suppliers begins with the supplier code of conduct, which outlines our expectations for supplier behavior. It is a supplier's responsibility to know and understand the environmental issues associated with the production of their goods and services and be good stewards of the environment. We value suppliers that evaluate their products and services from a total lifecycle perspective, have solid environmental metrics tracking practices, use resources responsibly, reuse and recycle when possible, and work to eliminate environmental incidents.

Our California utilities, SDG&E and SoCalGas, have and are currently implementing specific programs to address sustainable business practices with suppliers, including GHG emissions and climate change. Both SDG&E and SoCalGas plan to continue to expand and build upon their supply chain sustainability programs in 2021 through efforts including, but not limited to, implementing processes to incorporate sustainability into their supply chains and pursuing opportunities to have supplier partners pursue more sustainable business practices.

Currently, SDG&E and SoCalGas evaluate supplier operational impacts through Requests for Proposals (RFPs) above a certain dollar threshold by including sustainability questions that are given weight in the bid award evaluation, which is reflected in the percentages of suppliers covered by number and total procurement spend for 2020 above.

Impact of engagement, including measures of success

The information provided in this section is for SDG&E and SoCalGas only based on 2020 data and information. These consolidated businesses represent most of Sempra's expenditures with suppliers in 2020.

The supplier percentages above are estimates based on the number of suppliers with RFPs that go through the bidding process (sourceable spend) that are required to include sustainability questions based on company procedures. The number of suppliers that receive sustainability RFP questions does not directly relate to the percentage of overall spend because not all suppliers are awarded a contract, some agreements are non-funded master agreements, and not all spend occurs within the year that the contract was awarded. Therefore, the estimated percentage of total procurement spend of 11% for both California utilities is based on the number of suppliers with spend over $1 million, which does not capture all suppliers the utilities have engaged with on sustainability matters (including those who were not awarded a contract or whose spend is under $1 million). The percentage of suppliers includes all bidders, not solely suppliers with whom the utilities contract as a result of evaluation. This process allows all bidders to understand the significance of sustainability as part of doing business with the California utilities by requiring bidders to answer sustainability-related questions during the sourcing event. Therefore, our measure for success is receipt of additional information and data related to supplier sustainability efforts.

Comment

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

59

% total procurement spend (direct and indirect)

40

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

This information is for SoCalGas and SDG&E only based on 2020 data and information. There are two ways that SDG&E and SoCalGas collect climate change and carbon information from suppliers.

SDG&E is a member of the Electric Utility Industry Sustainable Supply Chain Alliance (EUISSCA), a non-profit organization formed by investor-owned utilities across the U.S. to promote sustainability. Through EUISSCA, we survey suppliers to better understand their environmental impacts, policies, and any goal setting around resource use and emissions reduction. The suppliers selected to complete the survey include top-tier (traditionally high spend suppliers), those identified as part of the Supplier Relationship Management (SRM) program, and any other suppliers critical to the business based on the our Supply Management Business Resumption plans.

In 2020, SDG&E and SoCalGas invited 146 suppliers based on their criticality and overall spend on metrics addressing operational sustainability (presence of a management system and goal setting related to emissions, energy, water, and waste) to participate in the EUISSCA Annual Supplier Sustainability Assessment and achieved a response rate of approximately 40% of overall spend and 59% for invited suppliers. These suppliers responded by completing the assessment phase of the survey and at least initiating the improvement planning phase.

At SoCalGas, suppliers that are identified as critical become part of the SRM program. Suppliers review requests for information as part of the initial phase of doing business. The current SRM supplier areas were determined to be critical based on a segmentation approach in each commodity or service area and SoCalGas has reviewed critical and high-risk suppliers as part of the SRM program annually. The supplier questionnaire highlights sustainability as an area of focus for SoCalGas, creating awareness among suppliers that we consider this area important to engage in business with them and that improvement is encouraged and expected. Through this program, SoCalGas tracks supplier performance and looks for ways to gain efficiencies, in terms of safety, cost, industry best practice, diverse business spend, and environmental impact.

Impact of engagement, including measures of success

The information provided in this section is for SDG&E and SoCalGas only based on 2020 data and information. These businesses represent most of Sempra's expenditures with suppliers in 2020. Measures of success vary with each method of engagement. With regard to sustainability metrics, success in many cases is receipt of increased information and data related to suppliers' impacts. Through the EUISSCA Annual Supplier Sustainability Assessment survey, SDG&E and SoCalGas have gathered data that provides baseline sustainability information for the selected suppliers that will help shape the sustainability programs for both utilities. The survey tool gives suppliers a score in the applicable areas, benchmarking dashboards to compare their performance against others in their category, and best practices to increase scores in the applicable areas. Additionally, the tool allows suppliers to create plans in areas the supplier feels best fits their company to enhance their everyday sustainability activities and thereby raise their scores in the following year. Suppliers are provided percentage scores based on their responses, including a percentage breakdown per area (e.g. Administration, Construction, etc.) to show areas of opportunity for improvement (starting with the 2019 survey). Each area provides methodologies to enhance performance in the targeted areas. With other programs mentioned, such as the SRM program, success can be measured in terms of reductions in cost and environmental impact.

As part of our SRM program at SoCalGas, suppliers meet with the utility and areas associated with the contractor (e.g. Safety, Contractor Controls, Pipeline Integrity, etc.) regularly. During the meeting, the supplier informs us about the efforts they have made regarding environmental, social, and economic sustainability aspects. The information obtained serves to gauge what activities suppliers are currently

undertaking, and to define a baseline. Once we are able to get some best practice options, we may look to include a best practice as part of any renegotiated contracts or in the execution of new requests for proposals.

Comment

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Other, please specify

Supplier relationship management program

% of suppliers by number

1.66

% total procurement spend (direct and indirect)

35

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

This information is for SoCalGas only based on 2020 data and information. Suppliers that are identified as critical based on a mix of spend amount and the business resumption plan (BRP) become part of the SRM program. Some of the critical suppliers that participate in the SoCalGas SRM Program also serve SDG&E. Through these discussions in regularly scheduled meetings suppliers are requested to provide information on their sustainable efforts.

Impact of engagement, including measures of success

The information provided in this section is for SoCalGas. These businesses represent most of Sempra's expenditures with suppliers. Measures of success vary with each method of engagement. With regard to sustainability metrics, success in many cases is receipt of increased

information and data related to suppliers impacts. With other programs mentioned, such as the SRM program, success can be measured in terms of reductions in cost, environmental impact, and adherence to the diverse business spend percentage commitment reported by suppliers as part of the procurement process. Some examples of past innovation and collaboration with suppliers include the following:
1. Some suppliers started monitoring engine idle speeds to reduce unnecessary idling speeds, which result in efficiencies in the form of fuel savings and reduced GHG emissions.
2. Construction suppliers have begun to trailer in needed water instead of having a water truck drive to the construction site, which has reduced fuel costs and GHG emissions. Suppliers also started providing information on activities the company has for their employees and the communities in which they reside.

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Education/information sharing

Details of engagement

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

72

Please explain the rationale for selecting this group of customers and scope of engagement

California has the second-lowest per capita energy consumption in the U.S., in part because California regulators provide incentives for utilities to achieve energy-efficiency improvements at customer facilities. By improving energy efficiency, the state has avoided the need to build additional power generation facilities. SDG&E and SoCalGas work with their residential, business and industrial customers to determine ways they can save energy and reduce their energy bills. Targeted energy efficiency programs are described on the utilities' websites. For example, the Energy Savings Assistance Program provides energy-saving improvements at no charge to customers that meet certain income requirements. Other programs include on-bill financing of energy upgrades, level-payment plans (which can reduce month-to-month differences in energy bills), time-of-use rates, "Reduce Your Use" days, and many other similar programs. Percent of customers is percent of SDG&E and SoCalGas customers.

Impact of engagement, including measures of success

Measures of success for energy efficiency programs are megawatt-hours of electricity and therms of natural gas saved. In 2020 alone energy efficiency programs at SDG&E resulted in electricity savings of 333,000 MWh and reduced demand by 57 MW*. SoCalGas and SDG&E's customer energy efficiency programs saved more than 41 million therms of natural gas in 2020*. These electric and gas energy efficiency efforts reduced CO2 emissions by more than 450,000 metric tons over the year. *Preliminary numbers.

Type of engagement

Other, please specify

Offering 100% renewable electricity

Details of engagement

Other, please specify

To provide additional options, for customers, SDG&E customers can now opt to have 100% of their electricity come from renewable sources through a program called EcoChoice.

% of customers by number

0.3

% of customer - related Scope 3 emissions as reported in C6.5

3

Please explain the rationale for selecting this group of customers and scope of engagement

SDG&E delivered an average 42% renewable energy during the Renewable Portfolio Standard (RPS) compliance period between 2017 – 2020. SDG&E customers can opt to have up to 100% of their electricity come from renewable sources through a program called EcoChoice. An interested customer enrolls in the EcoChoice program online at www.sdge.com/EcoChoice.Once enrolled, the customer can specify how much of their power will come from renewable sources – from 50% to 100%. SDG&E purchases additional renewable power to serve the EcoChoice customers' specified renewable percentage.

Impact of engagement, including measures of success

One measure of success is the number of enrolled customers. As of June 2020, 4,031 residential, commercial and industrial customers were enrolled in the EcoChoice program, representing 50.42 megawatts.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers

Trade associations

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Other, please specify GHG emissions reduction mandates	Support with minor exceptions	We engaged with policymakers concerning California legislation promoting the in-state production and distribution of biomethane as a practical step toward furthering the state's GHG and short-lived climate pollutant reduction goals.	We advocate for greenhouse gas emission reduction policies that help California meet its climate change goals while also protecting the livelihood of Californians, businesses, and the economy. We encourage emissions reductions from all sectors of the economy to meet emissions goals. Given that the largest source of GHG

			emissions is transportation, we are working to implement solutions promoting electrification of the passenger vehicle fleet and development of renewable gas alternatives for larger vehicles.
Energy efficiency	Support with minor exceptions	SDG&E and SoCalGas monitored several energy efficiency bills and engaged with policymakers when called upon to share their expertise in this area.	As a company that has announced its commitment to get to net-zero GHG emissions by 2050 (scopes 1, 2 and 3), Sempra supports an all-of-the-above energy policy to reduce carbon emissions: a combination of energy efficiency, renewable energy, natural gas and hydrogen, which over time, will increase the diversity of the country's energy mix and shrink the country's carbon footprint. We have strongly supported energy efficiency programs over the years and continue to do so. Over time, energy efficiency programs have averted the need to build dozens of power plants and has helped per capita energy usage in California to remain close to flat over time.
Clean energy generation	Support with minor exceptions	SDG&E and SoCalGas engaged with policymakers to assess the potential for the state to reduce GHG emissions from residential and commercial building stock by at least 40 percent below 1990 levels by 2030. At the federal level, Sempra supported legislative efforts to maintain tax credits for wind energy production, solar energy investment, and development and deployment of electric vehicles, fuel cells and fuel cell vehicles, hydrogen fuel infrastructure, natural gas vehicle fuel and fueling infrastructure, and renewable natural gas capture, processing and integration. Sempra has also worked in support of legislation boosting federal funding for research and technology development for innovation in wind and solar energies at Advanced	Consistent with our focus on low-carbon energy, Sempra supports the development of reasonable federal and state energy policies to regulate and reduce greenhouse gas emissions. We believe that when states adopt clean energy standards and programs, those standards and programs should be transparent and allocate costs fairly across customer classes without opportunity for bypass. We propose clean energy tax policies that level the playing field for tax incentives across clean energy technologies and that encourage further development of a variety of low-carbon technologies.

		Research Projects Agency - Energy, as well as federal storage capacity research efforts. Sempra has also supported legislation to promote carbon capture and storage.	
Other, please specify Alternative fuel transportation	Support with minor exceptions	At the state level, we supported legislative efforts to encourage the growth of alternative fuel transportation to meet the state goal to put at least 5 million ZEVs on California roads by 2030. For example we supported legislation to establish a critical consumption program for hydrogen production and processing, and to establish a framework for directing electricity generated by renewable energy resources to the production and processing of hydrogen. We supported a measure for California to adopt a comprehensive strategy to achieve carbon neutrality by 2045. And we supported legislation to help accelerate the buildout of hydrogen refueling stations in order to increase the number of zero-emission vehicles on the road. At the federal level, we supported tax credits for development and deployment of electric vehicles, fuel cells and fuel cell vehicles, hydrogen fuel infrastructure, natural gas vehicle fueling infrastructure, and natural gas and hydrogen as a vehicle fuel.	We support alternative-fuel transportation programs that provide financial and nonfinancial incentives to help offset the cost of vehicle purchases. In legislative efforts, we propose parity between the costs and incentives applicable to natural gas and other alternative fuels. We believe legislation should also support the deployment of alternative fuel filling stations. We support expansion of the Department of Energy's Advanced Vehicle Manufacturing loan program to include medium and heavy-duty trucks, buses and rail transit vehicles. We also support an extension of the Alternative Fuel Vehicle (AFV) Infrastructure refueling credit, AFV fuel and refueling infrastructure credits, excise tax credit, tax credits for renewable natural gas, and ensuring parity between taxation of compressed natural gas versus diesel as a transportation fuel.
Other, please specify Natural gas policy	Support	In California, we supported legislation that would add methane produced from thermal conversion to the definition of biomethane for purposes of a gas utility procurement program, AB 3163, which the Governor signed into law. We also supported legislation to allow renewable natural gas or biogas delivered via a common carrier pipeline to a crude oil production or transport facility from a source the State	We support policies that expand the use of natural gas and renewable natural gas in the electric power and transportation sectors, provide exports to other countries to improve air quality globally and grow the U.S. economy. Sempra advocates for an approach that includes natural gas as a fuel pathway to achieve near-zero emissions.

		determines directly reduces methane emissions, to generate credits under the Low Carbon Fuel Standard regulations. Sempra supported federal research efforts into advanced uses of natural gas infrastructure, including integration of power-to-gas, renewable natural gas, and hydrogen energy as an energy source. At the federal level, we are supportive of H.R. 2801 – the METHANE Act, introduced by Rep. Scott Peters to provide a durable foundation for the EPA to use performance-based standards and robust emissions measurement, reporting and verification requirements to achieve ambitious methane emissions reductions.	
Other, please specify Wildfire-related matters	Support with major exceptions	Our businesses engaged with policymakers concerning legislation to create ember-resistant zones for buildings in very high threat fire hazard severity zones by requiring more intense fuel reductions of between 5 and 30 feet around a structure and the ember-resistant zone within 5 feet of the structure. The legislation, AB 3074, was signed into law by the Governor. On the federal level, Sempra has been supportive of wildfire legislation introduced by Sens. Feinstein and Padilla that contemplates large-scale forest restoration projects, hardening critical infrastructure and increased training of key personnel.	Sempra is dedicated to partnering with the state on enhancing climate resiliency and disaster planning. We support legislative efforts designed to address California's wildfire mitigation to reduce wildfire risk.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

The Business Council for Sustainable Energy (BCSE)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

A national policy on climate change should consider the full impact of climate change and address GHG emissions reductions and incorporate adaptation and resilience measures. Policies should also incentivize and leverage actions by state, local and tribal governments, as well as the private sector. BCSE members focus on advocacy to support policies that deploy clean energy technologies in support of energy affordability, climate change, greenhouse gas reductions. Please also see the BCSE Executive Action Recommendations as well as its perspective on climate change and energy policy.

How have you influenced, or are you attempting to influence their position?

Sempra participated in the development of the BCSE's climate change principles.

Trade association

American Gas Association (AGA)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

AGA is committed to reducing greenhouse gas emissions through smart innovation, new and modernized infrastructure, and advanced technologies that maintain reliable, resilient, and affordable energy service choices for consumers. AGA has published a full climate change position statement, which states that AGA and its member natural gas utilities collectively commit to:
1. Further reduce methane emissions from natural gas utility systems
2. Encourage and support energy efficiency
3. Increase efficiencies in operating facilities
4. Scale-up and deploy advanced natural gas applications
5. Invest in research, development, and deployment of new emissions mitigation, delivery, and end-use technologies
6. Support renewable natural gas development and use and assess the potential of renewable power to gas
7. Modernize pipeline and other natural gas utility infrastructure
8. Encourage and support third-party damage prevention programs
9. Utilize recognized best practices to reduce methane and transparently report emissions data
10. Encourage and increase collaboration with natural gas producers and pipeline operators to help ensure that natural gas resources are developed and transported sustainably and responsibly

AGA research and development supports site-proximate distributed energy resource opportunities, and providing economical, efficient, and environmentally friendly resources that reduce GHG emissions. Additional research supports combined heat and power technologies to recycle exhaust heat for beneficial uses.

How have you influenced, or are you attempting to influence their position?

Sempra participated in the development of the AGA's climate change position statement.

Trade association

California Chamber of Commerce

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The California Chamber of Commerce supports climate change laws and regulations that are cost-effective, technology-neutral, and promote the use of market-based strategies to reduce GHGs. The Legislature should help ensure that any changes to California law safeguard the economy while having a demonstrable impact on GHG reduction and attract private capital to the state.

How have you influenced, or are you attempting to influence their position?

One of Sempra's operating company executives serves on the board of the California Chamber of Commerce. As such, that company provides input on a variety of topics, including climate change. We generally agree with the Chamber's focus on achieving cost-effective GHG reductions while being sensitive to higher energy costs for businesses in California.

Trade association

California Council for Environmental and Economic Balance (CCEEB)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

CCEEB is committed to the state's long-term environmental, energy, and climate goals, and works to implement policies that will be effective while sustaining a strong economy.

Examples of specific programs and policies that CCEEB work addresses include:

• Advanced Clean Fleets rulemaking at the CARB and zero emission transportation legislation (state level)

• Revision of the Scoping Plan and development of carbon neutral policies at CARB and in the Legislature

• Development of the South Coast 2022 Air Quality Management Plan and State Implementation Plan, including measures to transition combustion sources to near-zero and zero emission technologies

• Establishment of a multi-sector task force that brings fleets and facilities together with energy providers and utilities to solve transportation infrastructure challenges as fleets move to zero emission vehicles

• Identification of funding sources and input on best uses of public funds for climate and energy goals, including allocation of cap-and-trade auction proceeds

How have you influenced, or are you attempting to influence their position?

Sempra supports the CCEEB's efforts to create clear and consistent reporting protocols to reduce greenhouse gas emissions.

Trade association

California Electric Transportation Coalition

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The California Electric Transportation Coalition supports a growing market for electric transportation, including cars, trucks, buses and equipment, to reach California's clean-air, public health, climate change, equity and economic goals.

How have you influenced, or are you attempting to influence their position?

Sempra supports electric vehicle proliferation as part of a larger effort to reduce GHG emissions and is therefore supportive of and participates in the California Electric Transportation Coalition's efforts.

Trade association

California Natural Gas Vehicle Coalition

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The California Natural Gas Vehicle Coalition supports new initiatives, provides up-to-date information on NGV technology and market developments, and works with legislators and regulators to develop policies that will increase alternative fuel and vehicle use. The California Natural Gas Vehicle Coalition advises stakeholders on testing and demonstration programs and help NGV-related businesses break into the

California market. Moving to natural gas medium- and heavy-duty vehicles is an important way to wean ourselves from petroleum-fueled vehicles and can help deliver solutions to California's air pollution and global warming issues.

How have you influenced, or are you attempting to influence their position?

Sempra supports natural gas vehicle use as a means to help reduce greenhouse gas emissions and is therefore supportive of and participates in the California NGV Coalition’s efforts.

Trade association

Center for LNG (CLNG)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association’s position

CLNG works to be a leader in moving toward a clean energy future. LNG and natural gas will continue to play a vital role in global efforts to reduce emissions across the power and transportation sectors. Natural gas has played a significant role in reducing CO2 emissions from the U.S. power sector to 25-year lows because of its relatively low carbon content and because of its role as an integral partner to renewables. CLNG members believe that those same benefits can be spread globally through competitive LNG markets.

How have you influenced, or are you attempting to influence their position?

Sempra supports responsible efforts to reduce carbon emissions while promoting economic growth and development and is therefore supportive of the Center for LNG’s efforts to include natural gas in the nation’s efforts to reduce greenhouse gas emissions.

Trade association

Interstate Natural Gas Association of America (INGAA)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

INGAA supports a mandatory federal climate change program that would avoid redundant and potentially conflicting state or regional initiatives. The INGAA board announced its Climate Statement, committing to reach zero net emissions by 2050.

How have you influenced, or are you attempting to influence their position?

Sempra supports requirements that avoid conflicting initiatives and clarify requirements in a responsible manner and is therefore supportive of INGAA's efforts.

Trade association

California Hydrogen Business Council (CHBC)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

CHBC is committed to advancing the commercialization of hydrogen and fuel cells in the energy and transportation sectors to achieve California's climate, air quality, and decarbonization goals. CHBC believes that widespread use of hydrogen and fuel cells for transportation, goods movement, and stationary power in California will reduce GHG emissions and criteria pollutants, improve air quality, decrease our dependence on fossil fuels, support the expansion of renewable electricity, and create good, high-paying clean energy jobs.

How have you influenced, or are you attempting to influence their position?

Sempra is an active participant at CHBC through operating company participation in its Board of Directors, and various CHBC committees in which we voice our views on these and other matters, including promoting clean energy, increasing the amount of zero-emission vehicles, and investment in the infrastructure needed for decarbonization of transportation.

Trade association

The Edison Electric Institute (EEI)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

EEI and its member companies—America's investor-owned electric companies— are united in our commitment to get the energy we provide as clean as we can, as fast as we can, while keeping reliability and affordability front and center as always for the customers and communities we serve. EEI's member companies are leading the clean energy transformation by continuing to reduce carbon emissions in our sector and by helping other sectors, particularly the transportation and industrial sectors, transition to clean, efficient electric energy.

How have you influenced, or are you attempting to influence their position?

Sempra is a very active participant at EEI, including the Board of Directors, and various EEI committees in which we voice our views on these and other matters, including promoting clean energy, electric vehicles, and energy efficiency with an eye toward reliability and affordability.

Trade association

The U.S. Chamber of Commerce

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The U.S. Chamber of Commerce supports a market-based approach to accelerate GHG emissions reductions across the U.S. economy. The organization advocates that durable climate policy must be made by Congress, and that it should encourage innovation and investment to ensure significant emissions reductions, while avoiding economic harm for businesses, consumers and disadvantaged communities. This policy should include well designed market mechanisms that are transparent and not distorted by overlapping regulations. U.S. climate policy should recognize the urgent need for action, while maintaining the national and international competitiveness of U.S. industry and ensuring consistency with free enterprise and free trade principles.

The Chamber maintains it will be largely up to the business community to develop, finance, build and operate the solutions needed to power economic growth worldwide, mitigate GHG emissions, and build resilient, lower-carbon infrastructure.

How have you influenced, or are you attempting to influence their position?

Sempra is an active participant at the U.S. Chamber of Commerce through participation in its Board of Directors, where we voice our views on these and other matters, including investment in the infrastructure needed for a successful energy transition.

Trade association

California Business Roundtable (CBRT)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

CBRT led the fight to pass a bipartisan extension of the state's Cap-and-Trade program in 2017 and continues to support the state's GHG emission reduction goals. It tracks the impact those goals are having on energy affordability and reliability and have raised concerns about a single-source energy solution. Additionally, these costs are often paid by those who can least afford it, which will only lead to a more bifurcated economy and create more poverty in the state. Through the Center for Jobs and the Economy, its sister organization, it tracks and report on trends in the energy sector, including affordability and GHG reduction efforts. The Center also provides research on additional pathways to meet the state's goals, including via telecommuting.

How have you influenced, or are you attempting to influence their position?

Sempra is an active participant at CBRT through operating company participation in its Board of Directors. We advocate for the importance of reliability and affordability on the path to reach GHG emissions goals.

Trade association

U.S. Business Roundtable (BRT)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

BRT highlights work by companies making a positive impact on sustainable outcomes which can be seen through major trends such as:

• Driving Efficiency, Reuse, and Recycling
• Growing Sustainable Investment
• Reducing Carbon Emissions
• Advancing Renewable Energy

BRT supports rejoining the Paris accord, reducing emissions 80% by 2050, and setting a price on carbon – though they do not endorse any specific mechanism for achieving those goals. BRT supports market-based climate solutions, with adequate transition time, considering effects outside the U.S. borders as well as within the country, investing in carbon removal technologies and efficiency measures, reforming the permitting process, mitigating sea level rise and other impacts, and encouraging voluntary disclosure of relevant metrics.

How have you influenced, or are you attempting to influence their position?

Sempra is a member of the BRT. We voice our opinion on energy and the environment, including infrastructure, sustainability and climate change.

Trade association

American Petroleum Institute (API)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

API and its members advocate for government policies that ensure the availability and continued development of affordable, reliable and sustainable energy, including oil and natural gas supplies and products derived from them, to consumers. The following principles guide API's perspective on public policies that address the risks of climate change.

Sound public policy approaches must be designed to:
• Facilitate meaningful GHG emissions reductions and conservation from all sectors of the economy.
• Balance economic, environmental and energy security needs.
• Promote economy-wide innovation and development of cost-effective technologies to meaningfully reduce GHG emissions.
• Optimize solutions by eliminating redundant or contradictory policies.
• Support market-based policies to drive innovation.
• Maintain the competitive positioning of U.S. businesses in global markets.
• Rely upon predictable and economically efficient policy frameworks, such as the use of offsets, that foster competition and utilize economy-wide market forces, to deliver outcomes at the least cost to society.
• Ensure that energy producers, manufacturers and suppliers are responsible for their direct emissions.
• Recognize and appropriately account for early and/or voluntary actions.
• Make the costs and associated climate benefits of any policy fully transparent to the American public.
• Continue to advance understanding of global climate change in order to calibrate and adapt future policies appropriately and effectively

How have you influenced, or are you attempting to influence their position?

As part of Sempra's membership in API, we are committed to developing and adhering to the highest level industry standards, protecting the environment and leading on safety.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Sempra has a centralized external affairs department that works closely with external affairs groups across our operating companies to develop policy positions on climate change issues and help ensure consistency of direct and indirect activities. This function plays an essential role in coordinating and making consistent the approach across operating companies and geographies. In addition, Sempra's sustainability steering committee, comprised of executives of all of our operating companies, builds on the efforts of the external affairs groups and also helps to ensure that policy-related activities are consistent with our climate strategy.

The Sempra family of companies engages in direct and indirect lobbying activities at the federal, state, and local levels of government consistent with our commitment to creating long-term, sustainable value, including the important role our infrastructure plays in lowering GHG emissions.

We believe that our direct lobbying activities align 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. For example, we believe that our direct engagement regarding California legislation promoting the in-state production and distribution of biomethane as a practical step toward furthering the state's GHG and short-lived climate pollutant reduction goals aligns with the Paris Agreement because it could enable emissions reductions in transportation and agriculture, which are sources of nitrogen oxides and methane emissions, respectively.

Sempra and its companies are members of several trade associations focused on the important business and technical issues of our industry and the interests of our shareholders and other stakeholders. As a general matter, these associations enable us to learn the views of others, obtain feedback and, ultimately, voice our perspectives on proposed legislation and regulations in an educated and thoughtful manner. Some of these associations engage in lobbying activities. We believe that our indirect lobbying activities through these associations are also consistent with a transition to a lower carbon energy system and generally align with the Paris Agreement's goal to limit global temperature rise. For example, one of the trade associations we are a member of advances improved natural gas production practices by working to develop a metric for methane intensity so that such emissions can be measured, compared, and reduced, which we believe aligns with the Paris Agreement's goal to limit global temperature rise.

Trade association policies generally reflect a compromise of the membership so at times the policy positions and lobbying activities of these associations may not fully align with Sempra's positions on a particular issue, including the Paris Agreement's goal to limit global temperature rise, in which case we work to mitigate any risks associated with such misalignment. Specifically, we seek to do this in three primary ways:

1. Education of the association staff and key members;

2. Ongoing engagement with the association to try to move consensus positions; and
3. If needed, dissenting from association positions, including not providing formal company participation or endorsement.

We believe that public policy engagement is an important and appropriate role for companies, as long as it is conducted in a legal and transparent manner. In the U.S., there are federal, state and local lobbying registration and disclosure laws with which Sempra and its operating companies comply, and the company has a robust training and reporting program in place to ensure compliance.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

Sempra 2020 10-K.pdf

Page/Section reference

37-38, 43, 45, 47

Content elements

Risks & opportunities

Comment

Publication

In voluntary sustainability report

Status

Complete

Attach the document

SempraEnergy_2020_Corporate-Sustainability-Report.pdf

SempraEnergy_2020_Corporate-Sustainability-Report.pdf

Page/Section reference

Governance: 24-33
Strategy: 15, 18-22, 73-84
Risks and opportunities: 26-28
Emissions figures and targets: 36-38
TCFD: 103-113

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

TCFD recommendations are utilized.

Publication

In voluntary communications

Status

Complete

Attach the document

sempra_position-statement_natural-gas.pdf

Page/Section reference

2-5

Content elements

Strategy

Risks & opportunities

Comment

Publication

In voluntary communications

Status

Complete

Attach the document

sempra_position-statement_LNG_2020.pdf

Page/Section reference

2-5

Content elements

Strategy

Risks & opportunities

Comment

Publication

In voluntary communications

Status

Complete

Attach the document

sempra_positionstatement_CleanTransportation.pdf

Page/Section reference

2-7

Content elements

Strategy

Risks & opportunities

Comment

Publication

In voluntary communications

Status

Complete

Attach the document

SoCalGas_Climate_Commitment.pdf

Page/Section reference

Strategy: 1-2, 8, 11, 16-17
Risks & Opportunities: 8, 12-15
Emissions Targets: 9

Content elements

Strategy
Risks & opportunities
Emission targets

Comment

Publication

In mainstream reports

Status

Complete

Attach the document

IEnova_Sustainability_Financial_Report_2020.pdf

Page/Section reference

Governance: 38-59
Strategy: 27-37
Risks and opportunities: 54-57, 110-112
Emissions figures and targets: 113-120

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment

Publication

In mainstream reports

Status

Complete

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Page/Section reference

Document available here: https://www.sdge.com/sites/default/files/documents/SDG%26E%20Sustainability%20Report_0.pdf?nid-18226=
Strategy: 7-9, 42, 47
Risks and opportunities: 23-26
Emissions figures and targets: 10-11, 16, 52

Content elements

Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment

File size too large to attach. Please see link above.

Publication

In other regulatory filings

Status

Complete

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SempraEnergy_2021_Proxy.pdf

Page/Section reference

Governance: 15, 19
Strategy: 44

Content elements

Governance
Strategy

Comment

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

This questionnaire contains statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on assumptions with respect to the future, involve risks and uncertainties, and are not guarantees. Future results may differ materially from those expressed in any forward-looking statements. These forward-looking statements represent our estimates and assumptions only as of the date of this questionnaire. We assume no obligation to update or revise any forward-looking statement as a result of new information, future events or other factors. In this questionnaire, forward-looking statements can be identified by words such as "believes," "expects," "anticipates," "plans," "estimates," "projects," "forecasts," "should," "could," "would," "will," "confident," "may," "can," "potential," "possible," "proposed," "in process," "under construction," "in development," "target," "outlook," "maintain," "continue," or similar expressions, or when we discuss our guidance, priorities, strategy, goals, vision, mission, opportunities, projections, intentions or expectations. Factors, among others, that could cause actual results and events to differ materially from those described in any forward-looking statements include risks and uncertainties relating to: California wildfires, including the risks that we may be found liable for damages regardless of fault and that we may not be able to recover costs from insurance, the wildfire fund established by California Assembly Bill 1054 or in rates from customers; decisions, investigations, regulations, issuances or revocations of permits and other authorizations, renewals of franchises, and other actions by (i) the Comisión

Federal de Electricidad, California Public Utilities Commission (CPUC), U.S. Department of Energy, Public Utility Commission of Texas, and other regulatory and governmental bodies and (ii) states, counties, cities and other jurisdictions in the U.S., Mexico and other countries in which we do business; the success of business development efforts, construction projects and major acquisitions and divestitures, including risks in (i) the ability to make a final investment decision, (ii) completing construction projects or other transactions on schedule and budget, (iii) the ability to realize anticipated benefits from any of these efforts if completed, and (iv) obtaining the consent of partners or other third parties; the resolution of civil and criminal litigation, regulatory inquiries, investigations and proceedings, and arbitrations, including, among others, those related to the natural gas leak at Southern California Gas Company's (SoCalGas) Aliso Canyon natural gas storage facility; the impact of the COVID-19 pandemic on our capital projects, regulatory approval processes, supply chain, liquidity and execution of operations; actions by credit rating agencies to downgrade our credit ratings or to place those ratings on negative outlook and our ability to borrow on favorable terms and meet our substantial debt service obligations; actions to reduce or eliminate reliance on natural gas, including any deterioration of or increased uncertainty in the political or regulatory environment for local natural gas distribution companies operating in California, and the impact of volatility of oil prices on our businesses and development projects; weather, natural disasters, pandemics, accidents, equipment failures, explosions, acts of terrorism, computer system outages and other events that disrupt our operations, damage our facilities and systems, cause the release of harmful materials, cause fires and subject us to liability for property damage or personal injuries, fines and penalties, some of which may not be covered by insurance, may be disputed by insurers or may otherwise not be recoverable through regulatory mechanisms or may impact our ability to obtain satisfactory levels of affordable insurance; the availability of electric power and natural gas and natural gas storage capacity, including disruptions caused by failures in the transmission grid, limitations on the withdrawal of natural gas from storage facilities, and equipment failures; cyber security threats to the energy grid, the storage and pipeline infrastructure, the information and systems used to operate our businesses, and the confidentiality of our proprietary information and the personal information of our customers and employees; expropriation of assets, failure of foreign governments and state-owned entities to honor their contracts, and property disputes; the impact at San Diego Gas & Electric Company (SDG&E) on competitive customer rates and reliability due to the growth in distributed and local power generation, including from departing retail load resulting from customers transferring to Direct Access and Community Choice Aggregation, and the risk of nonrecovery for stranded assets and contractual obligations; Oncor Electric Delivery Company LLC's (Oncor) ability to eliminate or reduce its quarterly dividends due to regulatory and governance requirements and commitments, including by actions of Oncor's independent directors or a minority member director; volatility in foreign currency exchange, inflation and interest rates and commodity prices and our ability to effectively hedge these risks; changes in tax and trade policies, laws and regulations, including tariffs and revisions to international trade agreements that may increase our costs, reduce our competitiveness, or impair our ability to resolve trade disputes; and other uncertainties, some of which may be difficult to predict and are beyond our control. These risks and uncertainties are further discussed in the reports that Sempra has filed with the U.S. Securities and Exchange Commission (SEC). These reports are available through the EDGAR system free-of-charge on the SEC's website, www.sec.gov, and on Sempra's website, www.sempra.com. Investors should not rely unduly on any forward-looking statements. This questionnaire may include market, demographic and industry data and forecasts that are based on or derived

from third-party sources such as independent industry publications, publicly available information, government data and other similar information from third parties. We do not guarantee the accuracy or completeness of any of this information, and we have not independently verified any of the information provided by these third-party sources. In addition, market, demographic and industry data and forecasts involve estimates, assumptions and other uncertainties and are subject to change based on various factors, including those discussed above. Accordingly, you should not place undue reliance on any of this information. This questionnaire also contains links to third-party websites that are not hosted or managed by Sempra or its family of companies. We are not responsible for, nor do we recommend, endorse or support, any information contained on any such third-party websites. In addition, this questionnaire includes descriptions of positions of third-party trade associations, which descriptions are provided in the manner articulated by each such trade association and do not necessarily reflect the manner in which we would describe these positions, even if we have stated our views are consistent. Sempra North American Infrastructure, Sempra LNG, Sempra Mexico, Sempra Texas Utilities, Oncor and Infraestructura Energética Nova, S.A.B. de C.V. (IEnova) are not the same companies as the California utilities, SDG&E or SoCalGas, and Sempra North American Infrastructure, Sempra LNG, Sempra Mexico, Sempra Texas Utilities, Oncor and IEnova are not regulated by the CPUC.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Senior Vice President, Corporate Affairs and Chief Sustainability Officer	Chief Sustainability Officer (CSO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	11,370,000,000

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

Yes

SC0.2a

(SC0.2a) Please use the table below to share your ISIN.

	ISIN country code (2 letters)	ISIN numeric identifier and single check digit (10 numbers overall)
Row 1	US	8168511090

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Other, please specify Lack of protocols	A primary challenge in allocating emissions to different customers is the lack of protocols available for these calculations.
Other, please specify Process is resource intensive	Together, Sempra's electric and natural gas distribution companies serve a large customer base of approximately 35 million consumers. Allocating emissions to commercial and industrial customers on an individual level could become very resource intensive as the interest in this information grows.

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Yes

SC1.4a

(SC1.4a) Describe how you plan to develop your capabilities.

Sempra ’s operating companies stay informed of updates and changes to greenhouse gas emissions reporting methodologies.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

No, I am not providing data

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Investors Customers	Public	Yes, I will submit the Supply Chain questions now

Please confirm below

I have read and accept the applicable Terms