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FOR IMMEDIATE RELEASE

SoCalGas Announces Vision to Be Cleanest Natural Gas Utility in North America

Utility commits to delivering affordable and increasingly renewable energy to customers – Includes replacing 20 percent of traditional natural gas supply with renewable natural gas by 2030

Senate Bill 1383 requires 40 percent methane capture from California's waste streams -- from sewage treatment, and landfills, and agriculture, and dairies.

LOS ANGELES, March 6, 2019 – [Southern California Gas Co.](#) (SoCalGas) today announced a bold plan to replace 20 percent of its traditional natural gas supply with renewable natural gas (RNG) by 2030. Today's announcement is part of SoCalGas' vision to be the cleanest natural gas utility in North America, delivering affordable and increasingly renewable energy to its customers. To kickstart the plan, SoCalGas will pursue regulatory authority to implement a broad renewable natural gas procurement program with a goal of replacing five percent of its natural gas supply with RNG by 2022. SoCalGas also recently filed a request with the California Public Utilities Commission (CPUC) to allow customers to purchase renewable natural gas for their homes. SoCalGas aims to have CPUC approval of its voluntary program by the end of the year.

Renewable natural gas is a clean fuel produced from our waste streams (i.e., sewers and food waste, as well as dairy and agriculture waste) and can be used like traditional natural gas to heat homes and businesses, for cooking, and to fuel trucks and buses. RNG reduces GHG emissions because it can take more GHG emissions out of the air than it emits as an energy source. In 2016 Governor Brown signed legislation to reduce short-lived climate pollutants, including methane from organic sources. The law requires 40 percent of methane from sewage treatment plants, landfills and agriculture to be captured, with provisions for energy delivery to customers.

SoCalGas' commitment to develop RNG is part of a broader, integrated vision for the future of clean energy that keeps energy affordable, expands consumer choice, and develops long-term and seasonal renewable energy storage using existing infrastructure.

"Our vision is to become the cleanest natural gas utility in North America, delivering affordable and increasingly renewable energy to our customers," said Bret Lane, SoCalGas' chief executive officer.

"Californians deserve clean, safe, and reliable energy that every family can afford. Today's announcement is an important step toward delivering a clean energy future that works for every family and business in our state."

"We applaud SoCalGas' commitment to have 5 percent of their supplies be renewable natural gas by 2022. Our campuses currently rely on gas-fired power plants to keep the lights on," said David Phillips, associate vice president of energy and sustainability of the University of California's Office of the President. "Decarbonizing our gas supplies can be an effective strategy to lower our greenhouse gas emissions. Widely available renewable natural gas will bring us and the rest of California closer to carbon-neutrality."

"What a great goal! California needs more renewable energy, and we need all the renewable natural gas we can put into the pipeline. We welcome SoCalGas' announcement and look forward to the day renewable

natural gas is available to all customers,” said Joe Lyou, president and chief executive officer of the Coalition for Clean Air.

“SoCalGas is taking a bold step in the fight against climate change,” said Maria Salinas, president and chief executive officer of the Los Angeles Area Chamber of Commerce. “Businesses are often looking for ways to be both cost efficient and environmentally responsible. SoCalGas strikes the right balance with their vision for 2030, becoming the largest and cleanest natural gas utility in the country and helping Los Angeles continue to be a leader in environmental standards.”

“California has a population of 40 million people, converting the waste we produce into clean energy for use in our homes and businesses is necessary if we are going to achieve a carbon-neutral economy by 2045,” said Dr. Matt Rahn of Cal State San Marcos, Environmental Leadership Institute. “Creating a balanced energy portfolio that includes renewable natural gas will help meet the state’s climate goals.”

“Tulare County is in a vital position to produce renewable natural gas from one of our largest industries, dairy,” said Paul Saldana, president and chief executive officer of the Tulare County EDC. “We are proud to be part of the solution to climate change in California.”

“SoCalGas continues to demonstrate great leadership with their goal to be the cleanest natural gas utility in the country,” said Alicia Berhow, Senior Vice President of Government Affairs of OCBC. “Ensuring renewable natural gas is available to customers will help preserve consumer choice and provide affordable, and increasingly renewable energy to homes and businesses.”

SUFFICIENT RNG SUPPLIES TO ACCELERATE DEVELOPMENT

With a commitment to replace 20 percent of its traditional natural gas supply with RNG, SoCalGas aims to accelerate the development of in-state renewable gas projects and achieve significant emissions reductions. Today more than 80 percent of methane emissions in California come from agriculture, dairies, wastewater treatment plants and other organic sources. A 2016 study by the University of California, Davis calculated that California has the potential to produce nearly 100 billion cubic feet (bcf) per year of renewable natural gas. This would be enough to meet the annual natural gas needs of around 2.3 million California homes.

In addition, out-of-state sources of RNG are significant and growing. According to the U.S. Department of Energy, the U.S. currently produces 1 trillion cubic feet of renewable natural gas every year, and that number is expected to increase to 10 trillion by 2030.

RNG IS ALREADY HELPING CALIFORNIA MEET ITS CLIMATE GOALS

SoCalGas has been working to accelerate the further development of RNG projects in California. In 2018, renewable natural gas produced in the state began flowing into [SoCalGas pipelines for the first time](#), from an anaerobic digester built and operated by waste hauling company CR&R. CR&R’s facility produces renewable natural gas using organic waste collected in Southern California cities’ green waste bins and already fuels 400 of their collection trucks.

In [January 2019, Calgren](#), a biofuel producer, began flowing renewable natural gas into the SoCalGas system from a dairy digester pipeline cluster. The facility will eventually collect biogas from anaerobic digesters at 12 Tulare County dairies, preventing about 130,000 tons of greenhouse gas from entering the atmosphere each year, the equivalent of taking more than 25,000 passenger cars off the road for a year.

Today, there are some 24 California dairy methane capture projects either operating or in development, and experts estimate there could be as many as 120 projects funded and operating in the next five years. In addition, as the state seeks to divert organic waste from landfills and capture emissions from wastewater treatment plants, more locally produced renewable natural gas will become available.

For more information on RNG's visit <https://www.socalgas.com/smart-energy/renewable-gas>

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About SoCalGas

Headquartered in Los Angeles, [SoCalGas®](#) is the [largest natural gas distribution utility](#) in the United States. SoCalGas delivers affordable, reliable, clean and increasingly renewable natural gas service to 21.8 million customers across [24,000 square miles](#) of Central and Southern California, where more than 90 percent of residents use natural gas for heating, hot water, cooking, drying clothes or other uses. Natural gas delivered through the company's pipelines also plays a key role in providing electricity to Californians—about [60 percent of electric power generated](#) in the state comes from gas-fired power plants.

SoCalGas is committed to investing in its natural gas system infrastructure, while keeping bills affordable for our customers. From 2013 through 2017, the company spent nearly \$6 billion to upgrade and modernize its natural gas system to enhance safety and reliability. The company is also committed to being a leader in the region's clean energy future, and is working to accelerate the use of [renewable natural gas](#) from dairy farms, landfills and wastewater treatment plants and the development of renewable energy storage technologies. SoCalGas is a subsidiary of [Sempra Energy](#) (NYSE: SRE), an energy services holding company based in San Diego. For more information visit socalgas.com/newsroom or connect with SoCalGas on [Twitter](#) (@SoCalGas), [Instagram](#) (@SoCalGas) and [Facebook](#).

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of applicable policy limits), may be disputed by insurers or may otherwise not be recoverable through regulatory mechanisms or may impact our ability to obtain satisfactory levels of insurance, to the extent that such insurance is available or not prohibitively expensive; cybersecurity threats to the energy grid, 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; capital markets and economic conditions, including the availability of credit and the liquidity of our investments; and fluctuations in inflation and interest rates and our ability to effectively hedge the risk of such fluctuations; the impact of recent federal tax reform and uncertainty as to how it may be applied, and our ability to mitigate adverse impacts; actions by credit rating agencies to downgrade our credit ratings or to place those ratings on negative outlook and our ability to borrow at favorable interest rates; changes in foreign and domestic trade policies and laws, including border tariffs, and revisions to or replacement of international trade agreements, such as the North American Free Trade Agreement, that may increase our costs 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 Energy 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. Investors should not rely unduly on any forward-looking statements. These forward-looking statements speak only as of the date hereof, and the company undertakes no obligation to update or revise these forecasts or projections or other forward-looking statements, whether as a result of new information, future events or otherwise.

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