

Southern California Gas Company

California leads the nation in setting climate goals and policy

Governing Law - SB100

By 2030, obtain

60%

of electricity from renewable sources

Governing Law – SB1383

By 2030, reduce methane emissions

40%

below 2013 levels

Executive Order B-55-18

CLIMATE CHANGE IS

By 2045, economy-wide, become

Carbon Neutral

OUR FUTUE

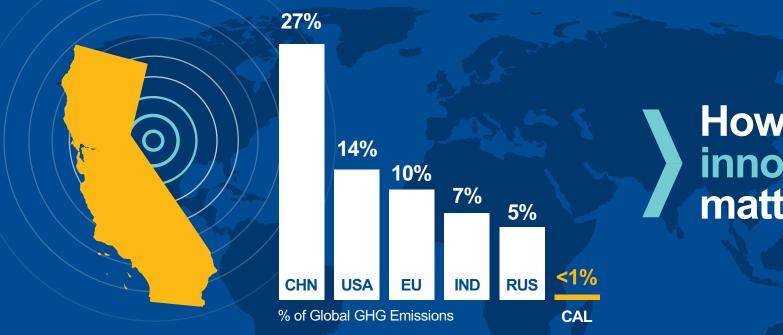


"In the world of dreams, you can do a lot of things. In the world of practicality, there's a way it works."

Governor Jerry Brown

LA Times Interview September 16, 2018

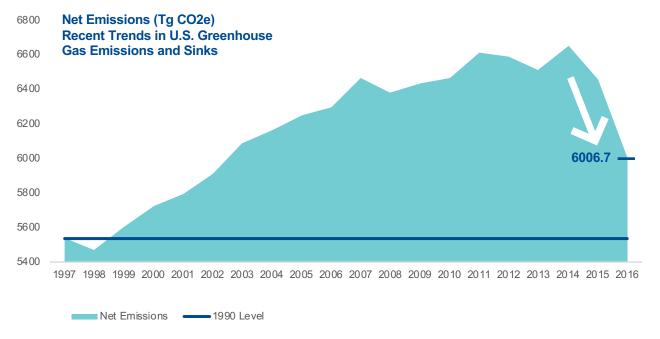
Thinking globally, we can have a greater impact



How we innovate matters.

U.S. emissions are decreasing

Natural gas is displacing coal.



Natural Gas resolves solar and wind power's intermittency issues



Like electricity, natural gas can come from renewable sources





Natural gas distribution has a relatively small GHG footprint



Methane is

9%

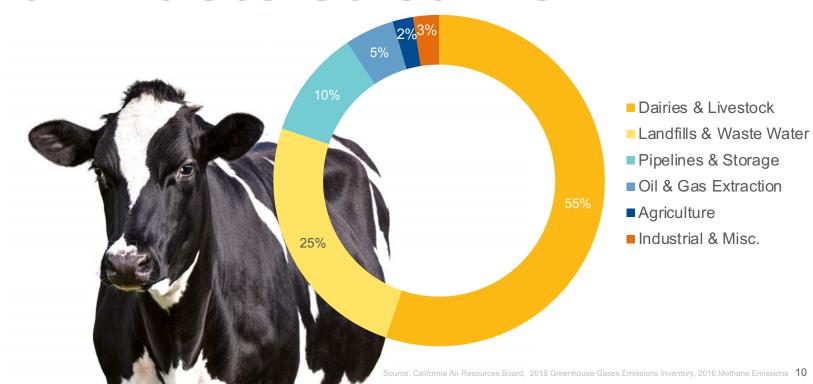
of California's total GHG emissions



Only 100/2

of those methane emissions comes from all of California's pipelines

CA's biggest sources of methane come from our waste streams



Putting this in another context

Aliso Canyon leak emitted

5% of CA's 372 landfills emit

109,000MT of Methane

199,408MT of Methane/year



more Methane than the Aliso Canyon leak every year

Putting this in another perspective



SCG is

0.3%

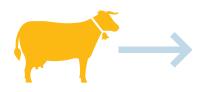
of California's total GHG emissions





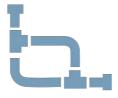
Renewable

natural gas









capture waste from dairies, farms and landfills

convert into biogas using anaerobic digestion

process the biogas to make it pipeline-ready (biomethane)

inject the biomethane into the pipeline for future use

Achieve 30% emissions reductions in the building sector by switching to

~5% RNG

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Achieve the same GHG reductions as overhauling 100% of CA's buildings to all electricity with

~16% RNG

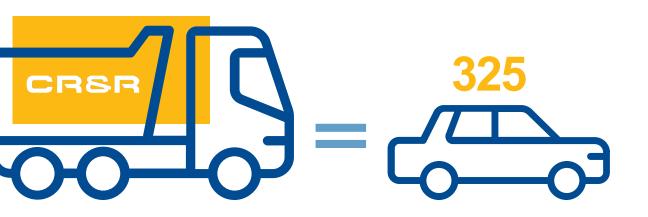
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When used as a transportation fuel, RNG from food and Green waste has a

negative Carbon Intensity



CR&R is turning GHG-laden organic waste into Carbon-neutral renewable natural gas

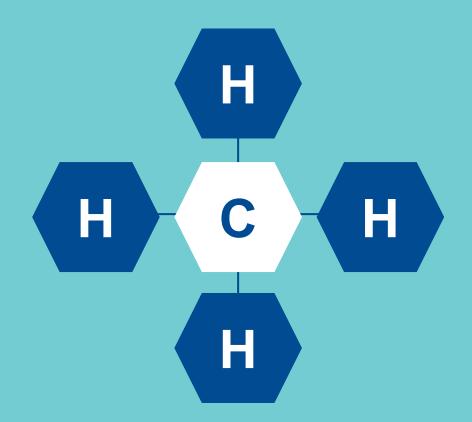




Near-zero natural gas engines reduce NOx emissions up to 90% and GHG emissions up to 80%

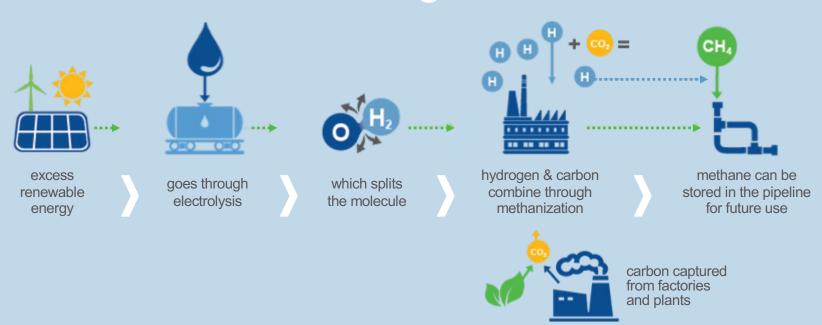
CR&R's RNG is fueling 400 waste trucks. That's the equivalent of taking 130,000 cars off the road

Natural Gas CH₄ (Methane)



Power-to-gas

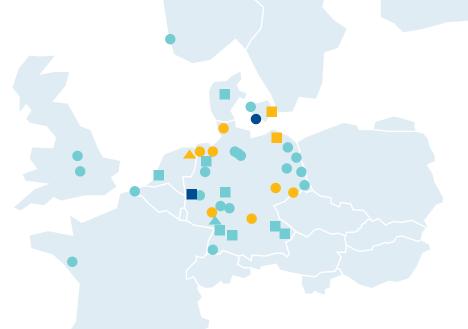
converts excess renewable electricity into renewable natural gas



Power-to-gas

provides green hydrogen pathway and grid storage

- 70 Projects Now Launched In Europe
- 40 Projects Launched in Germany, with more in development
- 30 MW of installed capacity



Operational

Planned

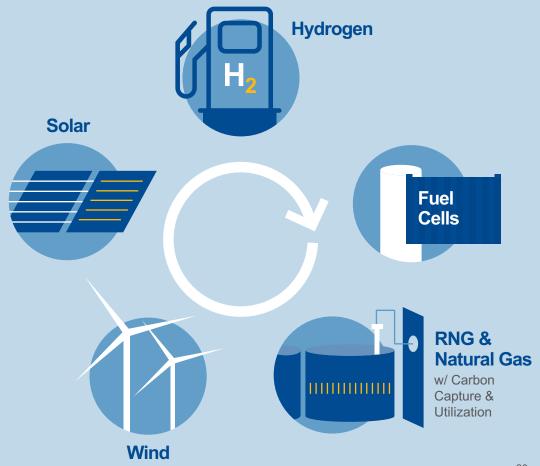
Project Finished

- Hydrogen
- Methane
- ▲ Hydrogen/Methane

Ourvision for what's possible

With an integrated approach

we can achieve our goals and preserve choice, while minimizing disruption and cost



Smart grid solutions

Smart meters

Limited Li-ion battery deployment (4 hours)

Affordable and reliable service across sectors:

> Residential Electric generation

Early stage market dev't

Early stage market dev't

Battery storage (hourly/daily) Limited pumped storage (long-term)

Affordable and reliable service across sectors:

> Residential Electric generation

Transportation sector Peak shaving

Commercial demo Power-to-Gas (P2G) Some use in transportation

Al and other innovations

Renewables

Battery storage (hourly/daily) Limited pumped storage Increasing need for long-term storage role for hydrogen

Affordable and reliable service across sectors:

Residential Electric generation Manufacturing

Natural gas with carbon capture

Transportation sector Peak shaving

LNG

RNG

Growing use in transportation Blending in pipeline Buildout of standalone infrastructure

Hydrogen

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The point

You shouldn't have to choose between doing what's right for the environment and what's good for the economy.

And with a balanced energy approach, you don't have to.

What can we do?

RNG and Power-to-Gas: Why invest?

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Be on the right side of history

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The timing is right to blend in RNG without creating price shock with consumers

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Get ahead of it— California is a bellwether state

Our industry needs to take definitive steps

Robust monitoring and timely fixing of leaks.

No excuses.

Shift our thinking from risk mitigation to proactive environmental stewardship.

Invest in RNG and look into ways to decarbonize the energy system.



