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NEWS RELEASE

New SoCalGas Analysis Underscores Immediate Need for Clean Fuels Investment to Maintain California's Grid Reliability in Net-Zero Scenario

The analysis indicates that by 2045, considerable renewable generation resources, like wind, solar, and batteries will be needed, including up to 10 more GW of clean renewable hydrogen generation to shore up the 2021 Clean Fuels Study (CFS) electric portfolios.

LOS ANGELES, Calif., July 11th, 2023 – A new detailed analysis released today by Southern California Gas Company (SoCalGas) further reveals how clean fuels like clean hydrogen and renewable natural gas (RNG) are poised to offer a solution to keep the electric grid reliable as California scales up intermittent renewable resources and electric demand. SoCalGas' *The Evolution of Clean Fuels in California* Reliability Analysis expands on the company's 2021 Clean Fuels Study (CFS) finding that infrastructure development for the delivery of clean fuels like hydrogen could support critical power generation and drive further adoption of clean fuels solutions for other hard-to-electrify sectors in California. The analysis underscores that by 2045, considerable renewable generation resources, like wind, solar, and batteries will be needed, including up to 10 more GW of clean renewable hydrogen generation to shore up CFS electric portfolios.

"Today, natural gas plants are a critical resource for system balancing and to help ensure electric reliability. Our modeling shows that as greater parts of the economy electrify, the resulting increase in electric demand could further strain the state's electric grid during times of high demand," says Jawaad Malik, chief strategy and sustainability officer at SoCalGas. "This updated analysis provides new insights into how California can achieve net-zero emissions in 2045 without sacrificing grid reliability as electric demand grows."

By evaluating every hour in a year to model the potential for an electric system outage, the analysis produced more robust results and additional insights into what circumstances can cause the grid to experience periods of strain.

"Early investment in clean fuels infrastructure could be key to supporting a reliable and resilient energy grid that is adequately prepared for future conditions," Malik continued. "Due to the long lead times required for infrastructure development, the analysis underscores how the prioritization of immediate investment in the clean fuels network could be vital in helping California reach its long-term energy needs and decarbonization goals."

SoCalGas is a leader in sustainability, having been among the first and largest natural gas utilities in the United States to announce its aim to have net-zero greenhouse gas emissions by 2045. The company was awarded the top "Business Transformation Award" at Reuters Events' 2022 Responsible Business Awards for having established truly transformative sustainability priorities with the potential to create impact at scale in the energy sector and beyond.

Toward that end, the California Public Utilities Commission (CPUC) approved SoCalGas' request to track costs for advancing the first phase of the Angeles Link project, which could be the nation's largest clean renewable hydrogen pipeline system and support significantly reducing greenhouse gas emissions from heavy-duty trucks, power generation, industrial processes, and other hard-to-electrify sectors of the Southern California economy. Angeles Link, the [H2] Innovation Experience, and more than a dozen hydrogen demonstration projects SoCalGas is currently pioneering, are all part of its ongoing efforts to help accelerate California's energy transition.

Read more on how clean fuels infrastructure can help accelerate decarbonization efforts while supporting electric reliability in SoCalGas' *The Evolution of Clean Fuels in California* Reliability Analysis. For more information about SoCalGas' clean energy innovation, visit https://socalgas.com/cleanfuels.

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About SoCalGas

Headquartered in Los Angeles, SoCalGas® is the largest gas distribution utility in the United States. SoCalGas delivers affordable, reliable, and increasingly renewable gas service to over 21 million consumers across 24,000 square miles of Central and Southern California. Gas delivered through the company's pipelines will continue to play a key role in California's clean energy transition—providing electric grid reliability and supporting wind and solar energy deployment.

SoCalGas' mission is to build the cleanest, safest and most innovative energy infrastructure company in America. In support of that mission, SoCalGas aspires to achieve net-zero greenhouse gas emissions in its operations and delivery of energy by 2045 and to replacing 20 percent of its traditional natural gas supply to core customers with renewable natural gas (RNG) by 2030. Renewable natural gas is made from waste created by landfills and wastewater treatment plants. SoCalGas is also committed to investing in its gas delivery infrastructure while keeping bills affordable for customers. SoCalGas is a subsidiary of Sempra (NYSE: SRE), an energy infrastructure company based in San Diego.

For more information visit socalgas.com/newsroom or connect with SoCalGas on Twitter (@SoCalGas), Instagram (@SoCalGas) and Facebook.

This press release 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 or implied in any forward-looking statement. These *forward-looking statements represent our estimates and assumptions only as of the date of this press release. We assume no obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise.*

In this press release, forward-looking statements can be identified by words such as “believes,” “expects,” “intends,” “anticipates,” “contemplates,” “plans,” “estimates,” “projects,” “forecasts,” “should,” “could,” “would,” “will,” “confident,” “may,” “can,” “potential,” “possible,” “proposed,” “in process,” “construct,” “develop,” “opportunity,” “initiative,” "target," "outlook," “optimistic,” “poised,” “maintain,” “continue,” “progress,” “advance,” “goal,” “aim,” “commit,” 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 expressed or implied in any forward-looking statement include risks and uncertainties relating to: decisions, investigations, inquiries, regulations, issuances or revocations of permits, consents, approvals or other authorizations, renewals of franchises, and other actions by (i) the California Public Utilities Commission (CPUC), U.S. Department of Energy, and other governmental and regulatory bodies and (ii) the U.S. and states, counties, cities and other jurisdictions therein in which we do business; the success of business development efforts and construction projects, including risks in (i) completing construction projects or other transactions on schedule and budget, (ii) realizing anticipated benefits from any of these efforts if completed, and (iii) obtaining the consent or approval of third parties; litigation, arbitrations and other proceedings, and changes to laws and regulations; cybersecurity threats, including by state and state-sponsored actors, of ransomware or other attacks on our systems or the systems of third-parties with which we conduct business, including the energy grid or other energy infrastructure, all of which have become more pronounced due to recent geopolitical events; our ability to borrow money on favorable terms and meet our obligations, including due to (i) actions by credit rating agencies to downgrade our credit ratings or place those ratings on negative outlook or (ii) rising interest rates and inflation; failure of our counterparties to honor their contracts and commitments; the impact on affordability of our customer rates and our cost of capital and on our ability to pass through higher costs to customers due to (i) volatility in inflation, interest rates and commodity prices, and (ii) the cost of the clean energy transition in California; the impact of climate and sustainability policies, laws, rules, regulations, disclosures and trends, including actions to reduce or eliminate reliance on natural gas, increased uncertainty in the political or regulatory environment for California natural gas distribution companies, the risk of nonrecovery for stranded assets, and our ability to incorporate new technologies; weather, natural disasters, pandemics, accidents, equipment failures, explosions, terrorism, information system outages or other events that disrupt our operations, damage our facilities or systems, cause the release of harmful materials or fires or subject us to liability for damages, fines and penalties, some of which may not be recoverable through regulatory mechanisms or insurance or may impact our ability to obtain satisfactory levels of affordable insurance; the availability of natural gas and natural gas storage capacity, including disruptions caused by failures in the pipeline system or limitations on the withdrawal of natural gas from storage facilities; changes in tax and trade policies, laws and regulations, including tariffs, revisions to international trade agreements and sanctions, such as those imposed in connection with the war in Ukraine, any of which may increase our costs, reduce our competitiveness, impact our ability to do business with certain counterparties, or impair our ability to resolve trade disputes; and other uncertainties, some of which are difficult to predict and beyond our control.

These risks and uncertainties are further discussed in the reports that the company 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.

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