Welcome to San Diego!

Fun Facts

Songs written about San Diego include Bing Crosby’s “Where the Turf Meets the Surf,” Bruce Springsteen’s “Balboa Park,” and Eric Clapton’s “The Road to Escondido.”

San Diego was home to everyone’s favorite wacky children’s author, Ted Geisel – more frequently referred to as Dr. Seuss.

The first driver across the Coronado Bridge when it first opened was Ronald Reagan in 1969.

San Diego was known as the Tuna Capital of the World from the early 1930s through the late 1970s.
We improve lives and communities by building the cleanest, safest and most reliable energy company in America.

To be the best, we must manage costs, modernize our infrastructure and improve the customer experience through innovation and technology. Together, we are creating a sustainable energy future for generations to come.

We value and reward:
operational excellence | innovation | collaboration | financial stewardship
SDG&E Business Overview

137 years in business

Serving the 8th largest city in the country

Serving 3.6 million electric and gas consumers

237 miles gas transmission pipelines

8,000 miles of gas distribution pipelines

1,984 miles electric transmission lines

62% electric distribution lines are underground

1.4 million electric and 873,000 natural gas meters

As of April 2018
Industry & Policy Trends

Looking back at 2017, we see a year marked by multiple well-entrenched trends, including the changing fuel mix, falling power prices, rising renewable demand, the proliferation of distributed energy resources, and deepening commitment to resilience.

As the industry transformation continues to unfold, these trends will evolve and others will likely emerge. Uncertainty will be constant. But fortunately, some bright sports on the horizon can help illuminate the path for electric power companies as they move forward.

Two of the most promising are the projected demand lift from transportation electrification and potential benefits of digitalization.

Source: Deloitte, 2018 Outlook on Power and Utilities

Industry Trends

California Policies

Low-Carbon Future
- GHG reduction: 40% below 1990 levels by 2030 | 80% below 1990 levels by 2050
- 50% RPS by 2030 with higher targets contemplated
- EVs in CA: 1.5M by 2025\(^1\) | 5M by 2030\(^2\) | 16M by 2050\(^3\)

Public and Infrastructure Safety
- Increased priority on public safety in regulatory and legislative environment
- Risk based GRC Application

Grid Flexibility and Resiliency
- Grid modernization
- Energy storage to enhance reliability and renewable integration

1) 2012 Executive Order (EO B-16-12)
2) 2018 Executive Order (EO B-48-18)
3) CARB California’s 2017 Climate Change Scoping Plan (November 2017)
SDG&E’s strategy is strongly aligned with industry trends and policy objectives

### Leader in Renewables
- First California utility to meet 33% RPS
- Around 45% energy delivered from renewable sources
- On track to meet the State’s goal of 50% renewables by 2030

### Clean Transportation
- Nearly 30,000 plug-in electric vehicles driving our roads*
- Leadership role in shaping legislative policy (SB350)
- ~3,000 charging stations at businesses and multi-family communities
- Pilot programs for airport ground support, port, taxis and highways
- Medium/Heavy Duty Charging Infrastructure Program

### Clean Energy Partner
- Developed Clean Energy Plans for municipalities to meet their clean energy goals
- Proposed 100% renewable solutions for the City of San Diego
- Launched EcoChoice offering customers a 100% renewable option

*As of Q1 2018
• 8 of the 20 most destructive fires in California history have occurred since 2015

• 2017 wildfires have been the deadliest and most destructive on record
  - Statewide losses are staggering, with lives lost; thousands homes destroyed
  - Research suggests the economic toll of the 2017 wildfire season in California will rise to $180 billion

• The carbon emitted from the 2017 wildfires is nearly as much as what the electric sector emitted last year
SDG&E Strategy: Clean | Safe | Reliable

Wildfire Risk Mitigation Activities

1. Aggressive infrastructure fire hardening program
   - Including converting more than 16,000 wood poles to steel

2. Developed situational awareness tools to calculate fire risk and predict fire behavior
   - Relied upon by fire agencies and first-responders

3. Built the largest utility weather network
   - More than 170 weather stations + full-time meteorologists

4. State-of-the-Art High Resolution Camera Network
   - 100 cameras, 15 infrared, pan-tilt-zoom cameras, monitored daily by fire agencies and SDG&E

5. Aggressive vegetation management
   - Comprehensive inventory of more than 460,000 trees, with inspections performed annually

6. Enhanced Operating Procedures
   - When the Fire Potential Index is high, reclosing is turned off and remains off until the risk decreases

7. Dedicated firefighting resources
   - Contract for world’s largest water dropping heli-tanker, which returns each August for fire season

8. Fire Coordinators
   - Dedicated Fire Coordinators serve as the direct link with emergency-response agencies

9. Fire Mapping
   - First California utility to map its entire system based on fire risk

10. Fire Safety Stakeholder Collaboration
    - More than 40 stakeholders across the community developed a joint fire-prevention plan
SDG&E Strategy: Clean | Safe | Reliable

Wildfire Risk Mitigation Activities

A Leader in Preparing for and Reducing Wildfire Risk
SDG&E Strategy: Clean | Safe | Reliable
Enabling a flexible and resilient grid

SDG&E’s strategy is strongly aligned with industry trends and policy objectives

- **Energy Storage**
  - Built the world’s first largest lithium ion battery storage facility
  - 43.5 MW utility owned in operation
  - 70 MW utility owned pending
  - Up to 166 MW of utility owned energy storage through AB 2868

- **Grid Modernization**
  - Electric transmission and distribution enhancement projects
  - Rebuild substations, replacing aging transformers and circuit breakers, modernize control equipment
  - Proactively replacing aging pipeline

- **Technology Enhancements**
  - Modernize legacy Customer Information System to meet current and future customer needs