

January 2, 2020

**VIA E-MAIL**

Office of Chief Counsel  
Division of Corporation Finance  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Re: *Sempra Energy*  
*Shareholder Proposal of The Stewart Taggart & Rebecca W Taggart JT*  
*REV TR UAD 08/29/17 et al*  
*Securities Exchange Act of 1934—Rule 14a-8*

Ladies and Gentlemen:

This letter is to inform you that our client, Sempra Energy (the “Company”), intends to omit from its proxy statement and form of proxy for its 2020 Annual Meeting of Shareholders (collectively, the “2020 Proxy Materials”) a shareholder proposal (the “Proposal”) and statements in support thereof (the “Supporting Statement”) received from As You Sow on behalf of The Stewart Taggart & Rebecca W Taggart JT REV TR UAD 08/29/17, the Maida L Brankman Revocable Trust and the Wynnette M. LaBrosse Trust, the Congregation of Divine Providence and the Providence Trust (collectively, the “Proponents”).

Pursuant to Rule 14a-8(j), we have:

- filed this letter with the Securities and Exchange Commission (the “SEC”) no later than eighty (80) calendar days before the Company intends to file its definitive 2020 Proxy Materials with the SEC; and
- concurrently sent copies of this correspondence to the Proponents.

Rule 14a-8(k) and Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“SLB 14D”) provide that shareholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the SEC or the staff of the Division of Corporation Finance (the “Staff”). Accordingly, we are taking this opportunity to inform the Proponents that if the Proponents elect to submit additional correspondence to the SEC or the Staff with respect to this Proposal, a copy of that correspondence should be sent at the same time to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

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## THE PROPOSAL

The Proposal states:

**Resolved:** Shareholders request that Sempra issue a report, at reasonable cost and omitting proprietary information, describing how it is responding to the risk of stranded assets of current and planned natural gas-based infrastructure and assets, as the global response to climate change intensifies.

A copy of the Proposal and related correspondence from the Proponents is attached hereto as Exhibit A.

## BASIS FOR EXCLUSION

We hereby respectfully request that the Staff concur in our view that the Proposal may be excluded from the 2020 Proxy Materials pursuant to Rule 14a-8(i)(10) because the Company has substantially implemented the Proposal.

## ANALYSIS

### **The Proposal May Be Excluded Under Rule 14a-8(i)(10) As Substantially Implemented.**

#### *A. Background*

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal from its proxy materials if the company has “substantially implemented” the proposal. The SEC stated in 1976 that the predecessor to Rule 14a-8(i)(10) was “designed to avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management.” Exchange Act Release No. 12598 (July 7, 1976) (“1976 Release”). Originally, the Staff narrowly interpreted this predecessor rule and concurred with the exclusion of a proposal only when proposals were “‘fully’ effected” by the company. *See* Exchange Act Release No. 19135 (Oct. 14, 1982). By 1983, the SEC recognized that the “previous formalistic application of [the Rule] defeated its purpose” because proponents were successfully avoiding exclusion by submitting proposals that differed from existing company policy in minor respects. Exchange Act Release No. 20091, at § II.E.6. (Aug. 16, 1983) (“1983 Release”). Therefore, in the 1983 Release, the SEC adopted a revised interpretation of the rule to permit the omission of proposals that had been “substantially implemented,” and the SEC codified this revised interpretation in Exchange Act Release No. 40018, at n.30 (May 21, 1998). Applying this standard, the Staff has noted that “a determination that the company has substantially implemented the proposal depends upon whether [the company’s] particular policies, practices and procedures compare favorably with the guidelines of the proposal.” *Walgreen Co.* (avail. Sept. 26, 2013); *Texaco, Inc.* (avail. Mar. 28, 1991).

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At the same time, a company need not implement a proposal in exactly the same manner set forth by the proponent. In *General Motors Corp.* (avail. Mar. 4, 1996), the company observed that the Staff has not required that a company implement the action requested in a proposal exactly in all details but has been willing to issue no-action letters under the predecessor of Rule 14a-8(i)(10) in situations where the “essential objective” of the proposal had been satisfied. The company further argued, “[i]f the mootness requirement [under the predecessor rule] were applied too strictly, the intention of [the rule]—permitting exclusion of ‘substantially implemented’ proposals—could be evaded merely by including some element in the proposal that differs from the registrant’s policy or practice.” For example, the Staff has concurred that companies, when substantially implementing a shareholder proposal, can address aspects of implementation on which a proposal is silent or which may differ from the manner in which the shareholder proponent would implement the proposal. *See, e.g., The Dow Chemical Co.* (avail. Mar. 18, 2014) (concurring with exclusion of a proposal requesting that the company prepare a report assessing short- and long-term financial, reputational and operational impacts that the legacy Bhopal disaster may reasonably have on the company’s Indian and global business opportunities and reporting on any actions the company intends to take to reduce such impacts where the company had already adopted human rights policies and provided an annual report on corporate citizenship); *Hess Corp.* (avail. Apr. 11, 2019) (proposal requesting a report on how the company can reduce its carbon footprint in alignment with greenhouse gas reductions necessary to achieve the Paris Agreement’s goal was substantially implemented by the company’s recent public disclosures); *Johnson & Johnson* (avail. Feb. 17, 2006) (proposal that requested the company to confirm the legitimacy of all current and future U.S. employees was substantially implemented because the company had verified the legitimacy of over 91% of its domestic workforce). Therefore, if a company has satisfactorily addressed both the proposal’s underlying concerns and its “essential objective,” the proposal will be deemed “substantially implemented” and, therefore, may be excluded as moot. *See, e.g., Quest Diagnostics, Inc.* (avail. Mar. 17, 2016); *Exelon Corp.* (avail. Feb. 26, 2010); *Anheuser-Busch Companies, Inc.* (avail. Jan. 17, 2007); *ConAgra Foods, Inc.* (avail. July 3, 2006); *Johnson & Johnson* (avail. Feb. 17, 2006); *Talbots* (avail. Apr. 5, 2002); *Masco Corp.* (avail. Mar. 29, 1999); *The Gap, Inc.* (avail. Mar. 8, 1996).

## B. *The Company’s Public Disclosures Substantially Implement The Proposal*

The Company has published a Corporate Sustainability Report (the “Sustainability Report”),<sup>1</sup> maintains a sustainability website,<sup>2</sup> files documents with the SEC, has issued numerous press releases<sup>3</sup> and has published other reports that provide additional information

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<sup>1</sup> *See* Sempra Energy Corporate Sustainability Report, available at <https://www.sempra.com/sites/default/files/content/files/node-page/file-list/2019/2018-corporate-sustainability-report-semprav2.pdf>. This was the eleventh sustainability report issued by the Company, reflecting its commitment to sustainability transparency.

<sup>2</sup> Available at <https://www.sempra.com/sustainability>.

<sup>3</sup> Available at <https://www.sempra.com/newsroom/spotlight-articles>.

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(collectively with the Sustainability Report, the “Sustainability Disclosures”) about the Company’s actions that are responsive to the report requested in the Proposal (which is broadly worded and does not prescribe a particular Company action to be taken or require changes to the Company’s existing strategy). As discussed below, the Company’s Sustainability Disclosures substantially implement the Proposal for purposes of Rule 14a-8(i)(10) because they implement the Proposal’s essential objective.

## 1. Background

As disclosed in its SEC filings and other public disclosures, the Company (through its subsidiaries) provides energy services to more than 40 million consumers worldwide.<sup>4</sup> The Company’s activities involving “current and planned natural gas-based infrastructure and assets” (as referenced by the Proposal) are focused in its: California public utilities (Southern California Gas Company or SoCalGas, and San Diego Gas & Electric Company or SDG&E); Sempra LNG, which develops and builds liquefied natural gas (“LNG”) facilities and natural gas storage and pipelines; and Infraestructura Energética Nova S.A.B. de C.V. or IEnova, the Company’s subsidiary that develops, builds and operates energy infrastructure in Mexico, including natural gas pipelines and storage and an LNG re-gasification facility. As disclosed in the Company’s SEC filings, most of the Company’s current natural gas assets outside of its California public utilities are under long-term contracts<sup>5</sup> or, in the case of its California public utilities, in its regulator-approved rate base.<sup>6</sup> Both directly affect the usefulness of these assets. For natural gas assets outside of the California public utilities, it generally means that customers have agreed to purchase the output of these assets for many years to come. In the case of the California public utilities, it generally means that the California regulatory agencies to which these utilities are subject have already approved their current natural gas assets and will do so with respect to future assets. As a result, the California utilities’ natural gas assets are already included in the value of property on which it is permitted to earn a specified rate of return by the California regulators, who also happen to be helping set and implement California’s decarbonization goals.

As disclosed in the Company’s SEC filings, there are risks that this approach may change given the evolving global response to climate change.<sup>7</sup> However, it is important to understand the role of natural gas in this context. While natural gas is a fossil fuel, it is the cleanest burning fossil fuel.<sup>8</sup> This means that natural gas is a lower-carbon alternative to higher-carbon intensive fossil fuels such as traditional coal-fired generation. Natural gas options include LNG, which is

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<sup>4</sup> Included in the 40 million consumers worldwide is Sempra South American Utilities, which currently is reported as discontinued operations and is under contract to be sold. The Company expects the sale to be completed in the first quarter of 2020. For that reason, we omit further discussions of these operations.

<sup>5</sup> See the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2018 (the “Form 10-K”), page 57.

<sup>6</sup> Form 10-K, page 30.

<sup>7</sup> See, e.g., Form 10-K, page 36-65.

<sup>8</sup> See What Is Natural Gas?, available at <https://www.aga.org/natural-gas/energy-education/>.

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a lower-carbon energy source currently transported to consumers around the world to support efforts to shift towards lower-emissions natural gas. As a result, based on the actions that the Company is taking as described below, the Company believes that its natural gas system “can be used today to facilitate a quicker, cleaner and more affordable transition to a carbon-free system” while helping to satisfy the current and growing worldwide demand for energy.<sup>9</sup>

## 2. Disclosures About Company Responses Involving Company Strategy

The Company has disclosed that its responses to the “global response to climate change” include changes to Company strategy, which thereby reduces the chances of the Company’s “current and planned natural gas-based infrastructure and assets” becoming what the Proposal refers to as “stranded.”

The Sustainability Report describes the Company’s expectation “that the global economy will continue to shift toward lower-emission sources of energy”<sup>10</sup> and notes that the Company has responded by “incorporat[ing] this expectation of a lower-carbon economy into [its] long-term business strategy.” For example, the Sustainability Report discusses a 2018 strategic portfolio review<sup>11</sup> that resulted in the Company focusing its strategy: “[b]y growing our energy infrastructure businesses, [the Company] will connect even more consumers with cleaner energy, supporting greenhouse gas emissions reduction efforts worldwide.”<sup>12</sup> As a result, the Company’s mission includes “play[ing] a key role in the delivery of cleaner energy to customers in North America and—through [its] LNG business—worldwide.”<sup>13</sup>

In other words, the Company has disclosed to shareholders and others that it is taking various actions (including actions described below) so that its “current and planned natural gas-based infrastructure and assets” are *necessary parts of the solution* to “the global response to climate change intensif[ying].” And by the Company’s natural gas system “facilitat[ing] a quicker, cleaner and more affordable transition to a carbon-free system,”<sup>14</sup> it reduces the chances of those “infrastructure and assets” becoming what the Proposal refers to as “stranded.”

Moreover, the Company has disclosed to shareholders how this strategy relates to expected continued (and increasing) demand for natural gas, which indicates a continued need

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<sup>9</sup> Sustainability Report, page 34.

<sup>10</sup> Sustainability Report, page 10.

<sup>11</sup> See the Company’s Current Report on Form 8-K filed on June 28, 2018.

<sup>12</sup> Sustainability Report, page 25.

<sup>13</sup> Sustainability Report, page 10. See also the Company’s Proxy Statement for its 2019 Annual Shareholders Meeting filed on March 22, 2019 (the “2019 Proxy Statement”), pages 3-4.

<sup>14</sup> Sustainability Report, page 34.

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for natural gas-based infrastructure and assets for years to come (as opposed to what the Proposal refers to as becoming “stranded”). For example, the Company’s 2019 Investor Day materials<sup>15</sup> discussed that:

- natural gas is projected to grow the most of any energy type through 2040;
- natural gas is expected to take market share from all other fossil fuels;
- LNG demand is expected to grow 75% from 2019 through 2035; and
- as a result, a shortfall in global LNG supply is projected to start in the mid-2020s.

### 3. Disclosures About Other Company Responses

The Sustainability Disclosures provide significant additional detail about how the Company is responding to the “global response to climate change” by implementing its strategy, which thereby reduces the chances of the Company’s “current and planned natural gas-based infrastructure and assets” becoming what the Proposal refers to as “stranded.”

First, the Sustainability Disclosures disclose that the Company is responding by “minimiz[ing] [its] impact, including [its] greenhouse gas emissions.”<sup>16</sup>

- This involves “deliver[ing] cleaner energy to millions of customers,” including through the Company’s natural gas distribution system.<sup>17</sup> At SoCalGas in 2018, 99.75% of the natural gas in its system successfully reached its destination—just 0.25% was lost. At SDG&E, these numbers were 99.77% delivered and 0.23% lost.<sup>18</sup> Our California utilities continue to reduce methane emissions in a number of ways, including those described in the Sustainability Report.<sup>19</sup>
- The Company also actively encourages more efficient consumption of natural gas by its customers, which has the effect of contributing to lowering greenhouse gas (“GHG”) emissions associated with the natural gas delivered by the Company. For example, SoCalGas (in partnership with the Los Angeles Department of Water & Power) recently completed a two-year, \$1 million energy efficiency project at Angelus Plaza in downtown Los Angeles. The energy efficiency upgrades are

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<sup>15</sup> See 2019 Investor Day – Sempra North American Infrastructure, slides 4-5, available at <https://investor.sempra.com/static-files/b56277cd-bd7a-43cb-ad18-73015843895b>. The third-party sources for the cited data are set forth in the relevant slides.

<sup>16</sup> Sustainability Report, page 26.

<sup>17</sup> *Id.*

<sup>18</sup> Sustainability Report, page 32.

<sup>19</sup> *Id.*

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estimated to save over \$150,000 annually in natural gas, equal to 160,000 therms of gas. This project will reduce emissions equal to taking nearly 200 cars off the road each year.<sup>20</sup>

Second, the Sustainability Disclosures disclose that the Company is responding by “actively manag[ing] climate risks.”<sup>21</sup>

- This includes the Company’s work to “set and achieve goals, including clean energy goals . . . [and] develop new energy resources and technologies, including renewable natural gas,” which is also referred to as RNG.<sup>22</sup> The Company’s investments in RNG, some of which are described below, are one example of the Company working to find ways to deliver carbon-negative energy sources—which actually reduces the GHG in the atmosphere rather than contributing to the GHG in the atmosphere.
- For example, the Sustainability Report describes how “a renewable natural gas-based system could make the entire economy – not just the energy sector – cleaner” and “captur[ing] and add[ing] [renewable natural gas] to the natural gas distribution system . . . would have a very significant effect” on reducing emissions.<sup>23</sup> In this regard, SoCalGas announced in March 2019<sup>24</sup> its vision to be the cleanest natural gas utility in North America, including by having 20% of the natural gas delivered to core customers come from renewable gas sources by 2030.<sup>25</sup>
- While the Proposal expresses concern about the scalability of these efforts, the Company’s Sustainability Disclosures describe how the Company is making progress by collaborating with members of the community on RNG. For example, in 2019 SoCalGas announced “the next phase in construction of four new dairy biomethane projects in California,” noting that “[w]hen completed, biogas from anaerobic digesters at 35 dairies will be collected and then cleaned to produce pipeline-quality renewable natural gas” and “will have the ability to produce enough renewable natural gas to fuel close to 40,000 homes each year.”<sup>26</sup> It also announced its intention to “pursue regulatory authority to implement a broad renewable natural gas

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<sup>20</sup> See *SoCalGas and LADWP Mark Completion of Million-Dollar Energy Efficiency Project at Angelus Plaza, Largest HUD Project in the Western U.S.*, available at <https://www.sempra.com/socalgas-and-ladwp-mark-completion-million-dollar-energy-efficiency-project-angelus-plaza-largest>.

<sup>21</sup> Sustainability Report, page 26.

<sup>22</sup> Sustainability Report, page 27.

<sup>23</sup> Sustainability Report, page 34.

<sup>24</sup> See <https://sempra.mediaroom.com/index.php?s=19080&item=137611>.

<sup>25</sup> Sustainability Report, page 12.

<sup>26</sup> See *SoCalGas Granted Approval from California Public Utilities Commission to Move Forward with Dairy Biomethane Projects*, available at <https://www.sempra.com/socalgas-granted-approval-california-public-utilities-commission-move-forward-dairy-biomethane>.

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procurement program with a goal of replacing five percent of its natural gas supply with RNG by 2022.”<sup>27</sup> This gas will be distributed using SoCalGas’s current and planned infrastructure.

- The Company has disclosed numerous other actions it has taken to support RNG. For example, SoCalGas recently “awarded the City of Corona more than \$44,000 in incentive funding following completion of a renewable energy project at one of the city’s Department of Water & Power facilities.”<sup>28</sup>

Third, the Sustainability Disclosures disclose that the Company is responding by seeking to “identify climate-related opportunities for growth.”<sup>29</sup>

- The Sustainability Report summarizes the opportunities the Company is exploring as including “increased demand for lower carbon energy and the infrastructure to deliver it; increased demand for LNG, including from countries that currently rely on coal or fuel-oil to generate power; increased energy efficiency requirements, which [its] utilities would help to implement; and increased demand for clean transportation, energy storage and renewable natural gas.”<sup>30</sup>
- For example, the Company’s SEC filings<sup>31</sup> and the Sustainability Report discuss how the Company is “building natural gas liquefaction facilities, in collaboration with partners, which will allow the export of [LNG] worldwide” to facilitate this change.<sup>32</sup>
- Another opportunity for growth that the Company is exploring is creating the ability to store energy that comes from renewable sources. This would allow “California’s existing natural gas distribution system [which includes the Company’s natural gas infrastructure]. . . [to] be the world’s largest renewable energy battery” through “a process called electrolysis which creates hydrogen and oxygen from water.”<sup>33</sup>

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<sup>27</sup> See *SoCalGas and Calgren Announce Completion of Dairy Renewable Natural Gas Facility, Expected to be Largest in U.S.*, available at <https://www.sempra.com/socalgas-and-calgren-announce-completion-dairy-renewable-natural-gas-facility-expected-be-largest>.

<sup>28</sup> See *SoCalGas Awards City of Corona more than \$44,000 for Completion of Renewable Natural Gas Project at City’s Water & Power Facility*, available at <https://www.sempra.com/socalgas-awards-city-corona-more-44000-completion-renewable-natural-gas-project-citys-water-power>.

<sup>29</sup> Sustainability Report, page 26.

<sup>30</sup> Sustainability Report, page 18.

<sup>31</sup> See Form 10-K, page 93.

<sup>32</sup> Sustainability Report, page 29. See also *Cameron LNG Liquefaction-Export Facility Begins Production at Train 2*, available at <https://www.sempra.com/cameron-lng-liquefaction-export-facility-begins-production-train-2> (“Sempra LNG develops and builds natural gas liquefaction facilities and is pursuing the development of five strategically located LNG projects in North America with a goal of delivering 45 million tonnes per annum, or Mtpa, of clean natural gas to the largest world markets.”).

<sup>33</sup> Sustainability Report, page 35.

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- Similarly, SoCalGas recently commissioned “the nation’s first scalable biomethanation reactor system” to “recycl[e] carbon dioxide from a myriad of sources, such as ethanol plants and anaerobic digesters, preventing greenhouse gas emissions”—allowing storage of excess renewable energy.<sup>34</sup>
4. Disclosure On Reconciling The Company’s Reliance On Natural Gas With California’s Decarbonization Targets

The Company’s public disclosures also respond to the concern in the Supporting Statement that “investors lack sufficient information to understand if or how the Company can reconcile its reliance on natural gas with achieving California’s decarbonization targets.” For example, SoCalGas “released a broad, inclusive and integrated plan to help achieve California’s ambitious environmental goals” (the “SoCalGas Report”), which details a plan that “embraces an all-of-the-above approach to fight climate change, keeps energy affordability as a key focus, calls for developing long-term renewable energy storage using existing infrastructure, and can aid in promoting rapid consumer adoption.”<sup>35</sup> As noted in the SoCalGas Report, while California has set these goals, “[t]here is no clear path today to reach California’s carbon neutral vision.”<sup>36</sup> As part of the ongoing conversation about how to achieve that vision, the SoCalGas Report suggests an inclusive and cost-efficient approach that “welcomes all ideas, considers all forms of energy, and that encourages and allows for innovation” to realize California’s 2045 goal of carbon neutrality and 100% clean energy.<sup>37</sup>

The Company believes that its extensive efforts can help California achieve those goals. In addition to the efforts discussed above, the SoCalGas Report notes that “[a]dding less than 20 percent renewable gas to California’s gas supply by 2030 can achieve the same outcome as electrifying the entire building sector; while continuing to allow consumer choice to meet their energy needs, as well as avoiding future building and appliance change-out mandates.”<sup>38</sup> Moreover, the Company is not alone in seeking to achieve California’s goals in a manner that includes natural gas: “more than 110 local governments across Southern California, representing approximately 8 million people have passed resolutions . . . [that] urge policymakers to

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<sup>34</sup> See *SoCalGas and Electrochaea Announce Commissioning of New Biomethanation Reactor System Pilot Project*, available at <https://www.sempra.com/socalgas-and-electrochaea-announce-commissioning-new-biomethanation-reactor-system-pilot-project>.

<sup>35</sup> See *SoCalGas Outlines Plan to Help Achieve California’s Environmental Goals*, available at <https://www.sempra.com/newsroom/spotlight-articles/socalgas-outlines-plan-help-achieve-californias-environmental-goals>.

<sup>36</sup> See SoCalGas Report, page 5, available at <https://www.socalgas.com/sites/default/files/1443742344191/scg-vision-paper-04032019.pdf>.

<sup>37</sup> *Id.*

<sup>38</sup> SoCalGas Report, page 16.

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safeguard consumers' ability to choose natural gas, propane, or electric appliances for their homes and business.”<sup>39</sup>

For these reasons, the Sustainability Disclosures have substantially implemented the Proposal's request that the Company issue a report “describing how it is responding to the risk of stranded assets of current and planned natural gas-based infrastructure and assets, as the global response to climate change intensifies.” As a result, the Company's actions implementing the Proposal present precisely the scenario contemplated by the SEC when it adopted the predecessor to Rule 14a-8(i)(10) “to avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management.” 1976 Release.

When a company has already taken action that implements a shareholder proposal, Rule 14a-8(i)(10) does not require the company and its shareholders to reconsider the issue. In this regard, the Staff has on numerous occasions concurred with the exclusion of shareholder proposals under Rule 14a-8(i)(10) where the company similarly addressed a shareholder proposal's essential objective. For example, the Staff recently concurred with the exclusion of a similar shareholder proposal in *PNM Resources, Inc.* (avail. Mar. 30, 2018). The proposal requested that PNM “prepare a public report identifying all generation assets that might become stranded due to global climate change within the next fifteen years, quantifying low, medium, and high financial risk associated with each asset.” The Staff agreed that various company public disclosures made available on its sustainability website “compare[d] favorably with the guidelines of the Proposal” despite being in a different format than contemplated by the Proposal. *See also ExxonMobil Corp.* (avail. Apr. 3, 2019) (concurring with the exclusion of a shareholder proposal requesting that “Exxon issue a report...on how it can reduce its carbon footprint in alignment with greenhouse gas reductions necessary to achieve the Paris Agreement's goal of maintaining global warming well below 2 degrees Celsius” because a report previously issued by Exxon provided details regarding the company's GHG emission reduction efforts and addressed many, but not necessarily all, of the requests in the proposal's supporting statement); *Dominion Resources, Inc.* (avail. Feb. 9, 2016) (concurring with the exclusion of a proposal requesting a report on how the company measures, mitigates, sets reduction targets, and discloses methane emissions because the public disclosures made in the company's Methane Management Report 2015 substantially implemented the proposal); *Mondelēz International, Inc.* (avail. Mar. 7, 2014) (concurring with the exclusion of a proposal requesting a report on the human rights risks of the company's operations and supply chain where the company had achieved the essential objective of the proposal by publicly disclosing its risk-management processes); *Caterpillar, Inc.* (avail. Mar. 11, 2008) (concurring with the exclusion of a shareholder proposal requesting that the company prepare a global warming report where the company had already published a report that contained information relating to its environmental

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<sup>39</sup> *See Riverside County Joins 113 California Local Governments in Voting to Keep Their Natural Gas Choice*, available at <https://www.sempra.com/riverside-county-joins-113-california-local-governments-voting-keep-their-natural-gas-choice>.

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initiatives); *Wal-Mart Stores, Inc.* (avail. Mar. 10, 2008) (same); *PG&E Corp.* (avail. Mar. 6, 2008) (same); *The Dow Chemical Co.* (avail. Mar. 5, 2008) (same); *Johnson & Johnson* (avail. Feb. 22, 2008) (same).

Similarly, the Proposal has been substantially implemented by the Company's extensive Sustainability Disclosures, which document how the Company has responded and continues to respond to the "global response to climate change" in a manner that reduces the chances of the Company's "current and planned natural gas-based infrastructure and assets" becoming what the Proposal refers to as "stranded." For example, as discussed above, the Company has disclosed to shareholders both that it recognizes that "the global response to climate change [is] intensif[ying]" and that it is acting to "grow[] [its] energy infrastructure businesses" in order to "connect even more consumers with cleaner energy, supporting greenhouse gas emissions reduction efforts worldwide."<sup>40</sup>

Moreover, the Staff consistently has concurred with the exclusion of similar shareholder proposals where companies' public disclosures provided information that compared favorably to the proposal's request even if they did not provide all of the information requested or give the answer that the proponent expected. For example, in *The Dow Chemical Co.* (avail. Mar. 18, 2014, *recon. denied* Mar. 25, 2014), the Staff concurred with the exclusion of a shareholder proposal requesting that the company prepare a report "assessing the short and long term financial, reputational and operational impacts" of an environmental incident in Bhopal, India. The company argued that statements in a document included on its website providing "Q and A" with respect to the Bhopal incident substantially implemented the proposal. In making its determination, the Staff noted that "it appears that [the company's] public disclosures compare favorably with the guidelines of the proposal and that [the company] has, therefore, substantially implemented the proposal." *See also Target Corp. (Johnson and Thompson)* (avail. Mar. 26, 2013) (concurring with the exclusion of a proposal asking the board to study the feasibility of adopting a policy prohibiting the use of treasury funds for direct and indirect political contributions where the company had addressed company reviews of use of company funds for political purposes in a statement in opposition set forth in a previous proxy statement and five pages excerpted from a company report).

In this regard, substantial implementation does not require implementation in full or exactly as the Proposal presents it, and the Staff has concurred in the exclusion of proposals related to climate change under substantial implementation even where the company's actions were not exactly as dictated by the proposal. *See, e.g., Duke Energy Corp.* (avail. Feb. 21, 2012) (concurring with exclusion of a shareholder proposal requesting that a committee of independent directors assess actions the company is taking or could take to "reduce greenhouse gas and other air emissions by providing comprehensive energy efficiency and renewable energy programs to its customers" where the requested information was already available in the company's

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<sup>40</sup> Sustainability Report, page 25.

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sustainability reports); *Entergy Corp.* (avail. Feb. 14, 2014) (concurring with exclusion of a shareholder proposal requesting a report “on policies the company could adopt to take additional near-term actions to reduce its greenhouse gas emissions consistent with the national goal of 80% reduction in greenhouse gas emissions by 2050” where the company’s public disclosures compared favorably with the guidelines of the proposal).

Here the Sustainability Disclosures describe how the Company is “responding to the risk of stranded assets . . . as the global response to climate change intensifies” and addresses how the Company can “reconcile its reliance on natural gas with achieving California’s decarbonization targets.” While the Sustainability Disclosures do not use the phrase “stranded assets,” the Company has addressed the risks identified in the Proposal and need not use the Proposal’s exact language to address the Proposal’s essential objective. The Sustainability Disclosures make clear that the Company has disclosed to shareholders how it has and is responding in a variety of ways so that the Company’s “current and planned natural gas-based infrastructure and assets” will be needed—whether due to historical reasons (*e.g.*, subject to long-term contracts or being included in the rate base) or due to the Company’s responses involving: its strategy; minimizing the GHG emissions of its operations by making natural gas more efficient; actively managing climate risks by developing new energy resources and technologies such as renewable natural gas; and identifying climate-related opportunities for growth by providing LNG to other parts of the world that are heavily dependent on carbon-intensive energy sources and researching how to store energy that comes from renewable sources. The Sustainability Disclosures also need not agree with the Proponents’ specific view on how to respond to climate change (*e.g.*, “[d]emand response, energy efficiency, renewables plus storage, and electrification”). The Company need only substantially implement the Proposal’s broadly worded request regarding how the Company is responding, which it has done through the Sustainability Disclosures.

As a result, the essential objective of the Proposal has been satisfied. Accordingly, for the reasons set forth above, the Proposal may be excluded from the Company’s 2020 Proxy Materials under Rule 14a-8(i)(10).

## CONCLUSION

Based upon the foregoing analysis, we respectfully request that the Staff concur that it will take no action if the Company excludes the Proposal from its 2020 Proxy Materials.

We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. Correspondence regarding this letter should be sent to [shareholderproposals@gibsondunn.com](mailto:shareholderproposals@gibsondunn.com). If we can be of any further assistance in this

Office of Chief Counsel  
Division of Corporation Finance  
January 2, 2020  
Page 13

matter, please do not hesitate to call me at (202) 955-8287 or at Sempra Energy either George W. Bilicic, President and Chief Legal Officer, at (619) 696-1879, or James M. Spira, Associate General Counsel, at (619) 696-4373.

Sincerely,



Elizabeth A. Ising

Enclosures

cc: George W. Bilicic, Sempra Energy  
James M. Spira, Sempra Energy  
Lila Holzman, As You Sow  
Sister Ramona Bezner, Providence Trust  
Sister Patricia Regan, Congregation of Divine Providence

**EXHIBIT A**



**VIA FEDEX & EMAIL**

November 20, 2019

Jennifer F. Jett  
Corporate Secretary  
Sempra Energy  
488 8th Avenue  
San Diego, CA 92101

Dear Jennifer Jett,

The Stewart W Taggart & Rebecca W Taggart JT REV TR UAD 08/29/17 is a shareholder of Sempra Energy. We submit the enclosed shareholder proposal on behalf of The Stewart W Taggart & Rebecca W Taggart JT REV TR UAD 08/29/17 (Proponent) for inclusion in the company's 2020 proxy statement, and for consideration by shareholders in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934.

A letter from the Proponent authorizing *As You Sow* to act on its behalf is enclosed. A representative of the Proponent will attend the stockholders' meeting to move the resolution as required.

We are available to discuss this issue and are optimistic that such a discussion could result in resolution of the Proponent's concerns. To schedule a dialogue, please contact Lila Holzman, Energy Program Manager at [lholzman@asyousow.org](mailto:lholzman@asyousow.org). Please send all correspondence to Ms. Holzman **with a copy to [shareholderengagement@asyousow.org](mailto:shareholderengagement@asyousow.org)**. Also, please note that our address has changed. Our new address is set forth above.

Sincerely,

Lila Holzman  
Energy Program Manager

Enclosures

- Shareholder Proposal
- Shareholder Authorization

**Whereas:** The Intergovernmental Panel on Climate Change released a report finding that "rapid, far-reaching" changes are necessary in the next 10 years to avoid disastrous levels of global warming.<sup>1</sup>

The energy sector plays a critical role in mitigating climate risk. Already, the sector is undergoing a rapid transition by moving away from coal, but growing reliance on natural gas creates ongoing risk. Natural gas is a major contributor to climate change due to combustion emissions and methane leaks. In 2018, gas contributed to an *increase* in power sector emissions,<sup>2</sup> jeopardizing chances of achieving reductions in line with the Paris Agreement's goal of keeping global warming below 1.5 degrees Celsius.

Building new gas infrastructure may be uneconomic and result in costly stranded assets comparable to early retirements now occurring for coal.<sup>3</sup> While some low-carbon scenarios show gas use continuing, they rely on significant carbon removal technologies -- a risky assumption given the technology has not proven economic at scale.<sup>4</sup>

Demand response, energy efficiency, renewables plus storage, and electrification are all increasingly cost-effective means of serving energy needs while reducing gas use and climate impacts.<sup>5</sup> City governments, recognizing gas' climate impacts, are setting policies prohibiting gas hookups for new buildings in favor of safer, healthier electric buildings.<sup>6</sup> Furthermore, the state of California has set ambitious mid-century clean energy targets,<sup>7</sup> San Diego is pursuing 100 percent clean energy programs,<sup>8</sup> and civil society pressure continues to mount against fossil fuels. As this opposition to gas grows, Sempra has increased lobbying of local officials to support gas over electrification through proposals that run counter to ratepayer and climate considerations.<sup>9</sup>

Sempra's existing climate targets are short term, and investors lack sufficient information to understand if or how the Company can reconcile its reliance on natural gas with achieving California's decarbonization targets. The Company's disclosures indicate Sempra is continuing to invest in expensive natural gas-related infrastructure and is not sufficiently addressing how

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<sup>1</sup> <https://www.ipcc.ch/2018/10/08/summary-for-policymakers-of-ipcc-special-report-on-global-warming-of-1-5c-approved-by-governments/>

<sup>2</sup> <https://www.nytimes.com/2019/01/08/climate/greenhouse-gas-emissions-increase.html>

<sup>3</sup> <https://rmi.org/a-bridge-backward-the-risky-economics-of-new-natural-gas-infrastructure-in-the-united-states/>

<sup>4</sup> <https://www.ipcc.ch/sr15/chapter/chapter-2/>

<sup>5</sup> <https://www.utilitydive.com/news/renewables-storage-poised-to-undercut-natural-gas-prices-increase-strande/562674/>

<sup>6</sup> <https://www.houstonchronicle.com/business/energy/article/Cities-target-gas-heaters-stoves-in-new-front-of-14537156.php>

<sup>7</sup> <https://www.greentechmedia.com/articles/read/its-official-gov-brown-signs-100-clean-energy-into-law#gs.8TFSrm4>

<sup>8</sup> <https://www.nbcsandiego.com/news/local/San-Diegos-Next-Steps-for-Achieving-100-Renewable-Energy-509333451.html>

<sup>9</sup> <https://www.latimes.com/environment/story/2019-10-22/southern-california-gas-climate-change>

those assets and their depreciation timelines reconcile with state decarbonization goals.<sup>10, 11</sup> Notably, the company has proposed increased investment in renewable natural gas. While renewable gas from organic waste material<sup>12</sup> can provide climate benefits compared to fossil gas, renewable natural gas has significant supply constraints<sup>13</sup> and is unlikely to provide the majority of Sempra's future energy needs.

Peer utilities, including NextEra<sup>14</sup> and Xcel,<sup>15</sup> have avoided investing in new gas infrastructure by replacing coal assets with renewables and storage, creating win-win solutions. Shareholders are concerned Sempra is lagging behind and exposing itself to climate-related risks by investing in significant gas holdings that may become stranded.

**Resolved:** Shareholders request that Sempra issue a report, at reasonable cost and omitting proprietary information, describing how it is responding to the risk of stranded assets of current and planned natural gas-based infrastructure and assets, as the global response to climate change intensifies.

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<sup>10</sup> <http://investor.sempra.com/static-files/b56277cd-bd7a-43cb-ad18-73015843895b>, p.34, p.65

<sup>11</sup> <https://www.sempra.com/sites/default/files/content/files/node-page/file-list/2019/2018-corporate-sustainability-report-semprav2.pdf>, p.7

<sup>12</sup> <https://www.socalgas.com/smart-energy/renewable-gas/what-is-renewable-natural-gas>

<sup>13</sup> <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=18-IEPR-01>; TN 226392

<sup>14</sup> <https://www.greentechmedia.com/articles/read/nextera-inks-even-bigger-windsolarstorage-deal-with-oklahoma-cooperative>

<sup>15</sup> <https://www.utilitydive.com/news/lazard-renewables-can-challenge-existing-coal-plants-on-price/541965/>

November 14, 2019

Andrew Behar  
CEO  
As You Sow  
2150 Kittredge St., Suite 450  
Berkeley, CA 94704

**Re: Authorization to File Shareholder Resolution**

Dear Mr. Behar,

The undersigned (the "Stockholder") authorizes *As You Sow* to file or co-file a shareholder resolution on Stockholder's behalf with the named Company for inclusion in the Company's 2020 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934. The resolution at issue relates to the below described subject.

Stockholder: The Stewart W Taggart & Rebecca W Taggart JT REV TR UAD 08/29/17

Company: Semptra Energy

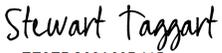
Subject: Climate change risk reporting

The Stockholder has continuously owned over \$2,000 worth of Company stock, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the Company's annual meeting in 2020.

The Stockholder gives *As You Sow* the authority to address on the Stockholder's behalf any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder. The Stockholder understands that the Stockholder's name may appear on the company's proxy statement as the filer of the aforementioned resolution, and that the media may mention the Stockholder's name in relation to the resolution.

The shareholder further authorizes *As You Sow* to send a letter of support of the resolution on Stockholder's behalf.

Sincerely,

DocuSigned by:  
  
EE9EDC08A60D415

Stewart Taggart

Trustee

The Stewart W Taggart & Rebecca W  
Taggart JT REV TR UAD 08/29/17



**James M. Spira**  
Associate General Counsel

488 8<sup>th</sup> Avenue, HQ09  
San Diego, CA 92101-7123

Tel: 619.696.4373  
Fax: 619.696.1890  
jspira@sempra.com

November 25, 2019

**VIA OVERNIGHT MAIL AND EMAIL**

Lila Holzman  
As You Sow  
2150 Kittredge St., Suite 450  
Berkeley, CA 94704  
lholzman@asyousow.org

Dear Ms. Holzman:

I am writing on behalf of Sempra Energy (the "Company"), which received on November 20, 2019, the shareholder proposal you submitted on behalf of The Stewart W Taggart & Rebecca W Taggart JT REV TR UAD 08/29/17 (the "Proponent") pursuant to Securities and Exchange Commission ("SEC") Rule 14a-8 for inclusion in the proxy statement for the Company's 2020 Annual Shareholders Meeting (the "Proposal").

The Proposal contains certain procedural deficiencies, which SEC regulations require us to bring to your attention.

Your correspondence did not include sufficient documentation demonstrating that you had the legal authority to submit the Proposal on behalf of the Proponent as of the date the Proposal was submitted (November 20, 2019). In Staff Legal Bulletin No. 14I (Nov. 1, 2017) ("SLB 14I"), the SEC's Division of Corporation Finance ("Division") noted that proposals submitted by proxy, such as the Proposal, may present challenges and concerns, including "that shareholders may not know that proposals are being submitted on their behalf." Accordingly, in evaluating whether there is a basis to exclude a proposal under the eligibility requirements of Rule 14a-8(b), as addressed below, SLB 14I states that in general the Division would expect any shareholder who submits a proposal by proxy to provide documentation to:

- identify the shareholder-proponent and the person or entity selected as proxy;
- identify the company to which the proposal is directed;
- identify the annual or special meeting for which the proposal is submitted;
- identify the specific proposal to be submitted (e.g., proposal to lower the threshold for calling a special meeting from 25% to 10%); and
- be signed and dated by the shareholder.

The documentation that you provided with the Proposal raises the concerns referred to in SLB 14I. Specifically, the Proposal raises the concerns referred to in SLB 14I because the documentation from the Proponent purporting to authorize you to act on the Proponent's behalf

does not identify the Proposal as the specific proposal to be submitted. The documentation provided by the Proponent describes the proposal that you are authorized to submit as “[c]limate change risk reporting.” In contrast, the subject matter of the Proposal is not focused on the overly broad topic of “climate change risk reporting,” but instead addresses how the Company plans to respond to the risk of stranded assets of current and planned natural gas-based infrastructure and assets. To remedy this defect, the Proponent should provide documentation that confirms that as of the date you submitted the Proposal, the Proponent had instructed or authorized you to submit the Proposal to the Company on the Proponent’s behalf. Such documentation should identify the specific proposal authorized to be submitted.

To the extent the Proponent authorized you to submit the Proposal to the Company, please note the following. Rule 14a-8(b) under the Securities Exchange Act of 1934, as amended, provides that shareholder proponents must submit sufficient proof of their continuous ownership of at least \$2,000 in market value, or 1%, of a company’s shares entitled to vote on the proposal for at least one year as of the date the shareholder proposal was submitted. The Company’s stock records do not indicate that the Proponent is the record owner of sufficient shares to satisfy this requirement. In addition, to date we have not received proof that the Proponent has satisfied Rule 14a-8’s ownership requirements as of the date that the Proposal was submitted to the Company.

To remedy this defect, the Proponent must submit sufficient proof of the Proponent’s continuous ownership of the required number or amount of Company shares for the one-year period preceding and including November 20, 2019, the date the Proposal was submitted to the Company. As explained in Rule 14a-8(b) and in SEC staff guidance, sufficient proof must be in the form of:

- (1) a written statement from the “record” holder of the Proponent’s shares (usually a broker or a bank) verifying that the Proponent continuously held the required number or amount of Company shares for the one-year period preceding and including November 20, 2019; or
- (2) if the Proponent has filed with the SEC a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5, or amendments to those documents or updated forms, reflecting the Proponent’s ownership of the required number or amount of Company shares as of or before the date on which the one-year eligibility period begins, a copy of the schedule and/or form, and any subsequent amendments reporting a change in the ownership level and a written statement that the Proponent continuously held the required number or amount of Company shares for the one-year period.

If the Proponent intends to demonstrate ownership by submitting a written statement from the “record” holder of the Proponent’s shares as set forth in (1) above, please note that most large U.S. brokers and banks deposit their customers’ securities with, and hold those securities through, the Depository Trust Company (“DTC”), a registered clearing agency that acts as a

securities depository (DTC is also known through the account name of Cede & Co.). Under SEC Staff Legal Bulletin No. 14F, only DTC participants are viewed as record holders of securities that are deposited at DTC. You can confirm whether the Proponent's broker or bank is a DTC participant by asking the Proponent's broker or bank or by checking DTC's participant list, which is available at <http://www.dtcc.com/~media/Files/Downloads/client-center/DTC/alpha.ashx>. In these situations, shareholders need to obtain proof of ownership from the DTC participant through which the securities are held, as follows:

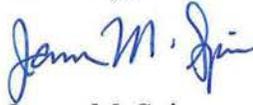
- (1) If the Proponent's broker or bank is a DTC participant, then the Proponent needs to submit a written statement from the Proponent's broker or bank verifying that the Proponent continuously held the required number or amount of Company shares for the one-year period preceding and including November 20, 2019.
- (2) If the Proponent's broker or bank is not a DTC participant, then the Proponent needs to submit proof of ownership from the DTC participant through which the shares are held verifying that the Proponent continuously held the required number or amount of Company shares for the one-year period preceding and including November 20, 2019. You should be able to find out the identity of the DTC participant by asking the Proponent's broker or bank. If the Proponent's broker is an introducing broker, you may also be able to learn the identity and telephone number of the DTC participant through the Proponent's account statements, because the clearing broker identified on the account statements will generally be a DTC participant. If the DTC participant that holds the Proponent's shares is not able to confirm the Proponent's individual holdings but is able to confirm the holdings of the Proponent's broker or bank, then the Proponent needs to satisfy the proof of ownership requirements by obtaining and submitting two proof of ownership statements verifying that, for the one-year period preceding and including November 20, 2019, the required number or amount of Company shares were continuously held: (i) one from the Proponent's broker or bank confirming the Proponent's ownership, and (ii) the other from the DTC participant confirming the broker or bank's ownership.

The SEC's rules require that any response to this letter be postmarked or transmitted electronically no later than 14 calendar days from the date you receive this letter. Please address any response to me at 488 8th Avenue, San Diego, CA 92101-3071. Alternatively, you may transmit any response by email to me at [JSpira@sempra.com](mailto:JSpira@sempra.com) or by facsimile at (619) 699-5027.

Lila Holzman  
November 25, 2019  
Page 4

If you have any questions with respect to the foregoing, please contact me at (619) 696-4373. For your reference, I enclose a copy of Rule 14a-8 and Staff Legal Bulletin No. 14F.

Sincerely,

A handwritten signature in blue ink that reads "James M. Spira". The signature is written in a cursive style with a large initial "J" and "S".

James M. Spira  
Associate General Counsel

Enclosures

cc: The Stewart W Taggart & Rebecca W Taggart JT REV TR UAD 08/29/17



**VIA FEDEX & EMAIL**

November 20, 2019

Jennifer F. Jett  
Corporate Secretary  
Sempra Energy  
488 8th Avenue  
San Diego, CA 92101

Dear Jennifer Jett,

The following Sempra Energy shareholders are co-filing a shareholder proposal for action at the next annual meeting of the company.

- Maida L Brankman Revocable Trust
- Wynnette M. LaBrosse Trust

The shareholders are co-filing this resolution with The Stewart W Taggart & Rebecca W Taggart JT REV TR UAD 08/29/17, who is the lead filer of the proposal. The Stewart W Taggart & Rebecca W Taggart JT REV TR UAD 08/29/17 has submitted the enclosed shareholder proposal for inclusion in the 2020 proxy statement in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. The Stewart W Taggart & Rebecca W Taggart JT REV TR UAD 08/29/17 (represented by *As You Sow*) is authorized to act on the co-filers' behalfs with regard to withdrawal of the proposal.

Letters authorizing *As You Sow* to act on co-filers' behalf are enclosed. A representative of the lead filer will attend the stockholders' meeting to move the resolution as required. To schedule a dialogue, please contact Lila Holzman, Energy Program Manager at [lholzman@asyousow.org](mailto:lholzman@asyousow.org). Please send all correspondence to Ms. Holzman **with a copy to** [shareholderengagement@asyousow.org](mailto:shareholderengagement@asyousow.org). Also, please note that our address has changed. Our new address is set forth above.

Sincerely,

Lila Holzman  
Energy Program Manager

Enclosures

- Shareholder Proposal
- Shareholder Authorizations

**Whereas:** The Intergovernmental Panel on Climate Change released a report finding that "rapid, far-reaching" changes are necessary in the next 10 years to avoid disastrous levels of global warming.<sup>1</sup>

The energy sector plays a critical role in mitigating climate risk. Already, the sector is undergoing a rapid transition by moving away from coal, but growing reliance on natural gas creates ongoing risk. Natural gas is a major contributor to climate change due to combustion emissions and methane leaks. In 2018, gas contributed to an *increase* in power sector emissions,<sup>2</sup> jeopardizing chances of achieving reductions in line with the Paris Agreement's goal of keeping global warming below 1.5 degrees Celsius.

Building new gas infrastructure may be uneconomic and result in costly stranded assets comparable to early retirements now occurring for coal.<sup>3</sup> While some low-carbon scenarios show gas use continuing, they rely on significant carbon removal technologies -- a risky assumption given the technology has not proven economic at scale.<sup>4</sup>

Demand response, energy efficiency, renewables plus storage, and electrification are all increasingly cost-effective means of serving energy needs while reducing gas use and climate impacts.<sup>5</sup> City governments, recognizing gas' climate impacts, are setting policies prohibiting gas hookups for new buildings in favor of safer, healthier electric buildings.<sup>6</sup> Furthermore, the state of California has set ambitious mid-century clean energy targets,<sup>7</sup> San Diego is pursuing 100 percent clean energy programs,<sup>8</sup> and civil society pressure continues to mount against fossil fuels. As this opposition to gas grows, Sempra has increased lobbying of local officials to support gas over electrification through proposals that run counter to ratepayer and climate considerations.<sup>9</sup>

Sempra's existing climate targets are short term, and investors lack sufficient information to understand if or how the Company can reconcile its reliance on natural gas with achieving California's decarbonization targets. The Company's disclosures indicate Sempra is continuing to invest in expensive natural gas-related infrastructure and is not sufficiently addressing how

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<sup>1</sup> <https://www.ipcc.ch/2018/10/08/summary-for-policymakers-of-ipcc-special-report-on-global-warming-of-1-5c-approved-by-governments/>

<sup>2</sup> <https://www.nytimes.com/2019/01/08/climate/greenhouse-gas-emissions-increase.html>

<sup>3</sup> <https://rmi.org/a-bridge-backward-the-risky-economics-of-new-natural-gas-infrastructure-in-the-united-states/>

<sup>4</sup> <https://www.ipcc.ch/sr15/chapter/chapter-2/>

<sup>5</sup> <https://www.utilitydive.com/news/renewables-storage-poised-to-undercut-natural-gas-prices-increase-strande/562674/>

<sup>6</sup> <https://www.houstonchronicle.com/business/energy/article/Cities-target-gas-heaters-stoves-in-new-front-of-14537156.php>

<sup>7</sup> <https://www.greentechmedia.com/articles/read/its-official-gov-brown-signs-100-clean-energy-into-law#gs.8TFSrm4>

<sup>8</sup> <https://www.nbcsandiego.com/news/local/San-Diegos-Next-Steps-for-Achieving-100-Renewable-Energy-509333451.html>

<sup>9</sup> <https://www.latimes.com/environment/story/2019-10-22/southern-california-gas-climate-change>

those assets and their depreciation timelines reconcile with state decarbonization goals.<sup>10, 11</sup> Notably, the company has proposed increased investment in renewable natural gas. While renewable gas from organic waste material<sup>12</sup> can provide climate benefits compared to fossil gas, renewable natural gas has significant supply constraints<sup>13</sup> and is unlikely to provide the majority of Sempra's future energy needs.

Peer utilities, including NextEra<sup>14</sup> and Xcel,<sup>15</sup> have avoided investing in new gas infrastructure by replacing coal assets with renewables and storage, creating win-win solutions. Shareholders are concerned Sempra is lagging behind and exposing itself to climate-related risks by investing in significant gas holdings that may become stranded.

**Resolved:** Shareholders request that Sempra issue a report, at reasonable cost and omitting proprietary information, describing how it is responding to the risk of stranded assets of current and planned natural gas-based infrastructure and assets, as the global response to climate change intensifies.

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<sup>10</sup> <http://investor.sempra.com/static-files/b56277cd-bd7a-43cb-ad18-73015843895b>, p.34, p.65

<sup>11</sup> <https://www.sempra.com/sites/default/files/content/files/node-page/file-list/2019/2018-corporate-sustainability-report-semprav2.pdf>, p.7

<sup>12</sup> <https://www.socalgas.com/smart-energy/renewable-gas/what-is-renewable-natural-gas>

<sup>13</sup> <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=18-IEPR-01>; TN 226392

<sup>14</sup> <https://www.greentechmedia.com/articles/read/nextera-inks-even-bigger-windsolarstorage-deal-with-oklahoma-cooperative>

<sup>15</sup> <https://www.utilitydive.com/news/lazard-renewables-can-challenge-existing-coal-plants-on-price/541965/>

11/5/2019 | 3:38:26 PM PST

Andrew Behar  
CEO  
As You Sow  
2150 Kittredge St., Suite 450  
Berkeley, CA 94704

**Re: Authorization to File Shareholder Resolution**

Dear Andrew Behar,

As of the date of this letter, the undersigned authorizes As You Sow (AYS) file, cofile, or endorse the shareholder resolution identified below on Stockholder's behalf with the identified company, and that it be included in the proxy statement as specified below, in accordance with Rule 14-a8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

The Stockholder: Maida L Brankman Rev Tr  
Company: Sempra Energy  
Annual Meeting/Proxy Statement Year: 2020  
Resolution Subject: Climate change risk reporting

The Stockholder gives As You Sow the authority to deal on the Stockholder's behalf with any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder. The Stockholder understands that the Stockholder's name may appear on the company's proxy statement as the filer of the aforementioned resolution, and that the media may mention the Stockholder's name related to the resolution.

Sincerely,

DocuSigned by:  
  
A03B8A7C132A5B...

Name: Maida Lynn

Title: Trustee

11/8/2019 | 11:54:06 AM PST

Andrew Behar  
CEO  
As You Sow  
2150 Kittredge St., Suite 450  
Berkeley, CA 94704

**Re: Authorization to File Shareholder Resolution**

Dear Andrew Behar,

As of the date of this letter, the undersigned authorizes As You Sow (AYS) file, cofile, or endorse the shareholder resolution identified below on Stockholder's behalf with the identified company, and that it be included in the proxy statement as specified below, in accordance with Rule 14-a8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

The Stockholder: Wynnette LaBrosse Tr (S)  
Company: Sempra Energy  
Annual Meeting/Proxy Statement Year: 2020  
Resolution Subject: Climate change risk reporting

The Stockholder gives As You Sow the authority to deal on the Stockholder's behalf with any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder. The Stockholder understands that the Stockholder's name may appear on the company's proxy statement as the filer of the aforementioned resolution, and that the media may mention the Stockholder's name related to the resolution.

Sincerely,

DocuSigned by:  
  
6A6CFBAFEE40454...

Name: wynnette M. LaBrosse

Title: Trustee



**James M. Spira**  
Associate General Counsel

488 8<sup>th</sup> Avenue, HQ09  
San Diego, CA 92101-7123

Tel: 619.696.4373  
Fax: 619.696.1890  
jspira@sempra.com

November 25, 2019

**VIA OVERNIGHT MAIL AND EMAIL**

Lila Holzman  
As You Sow  
2150 Kittredge St., Suite 450  
Berkeley, CA 94704  
lholzman@asyousow.org

Dear Ms. Holzman:

I am writing on behalf of Sempra Energy (the "Company"), which received on November 20, 2019, the shareholder proposal you submitted on behalf of Maida L Brankman Revocable Trust and Wynnette M. LaBrosse Trust (each a "Proponent" and, collectively, the "Proponents") pursuant to Securities and Exchange Commission ("SEC") Rule 14a-8 for inclusion in the proxy statement for the Company's 2020 Annual Shareholders Meeting (the "Proposal").

The Proposal contains certain procedural deficiencies, which SEC regulations require us to bring to your attention.

**1. Proposals by Proxy**

Your correspondence did not include sufficient documentation demonstrating that you had the legal authority to submit the Proposal on behalf of each Proponent as of the date the Proposal was submitted (November 20, 2019). In Staff Legal Bulletin No. 14I (Nov. 1, 2017) ("SLB 14I"), the SEC's Division of Corporation Finance ("Division") noted that proposals submitted by proxy, such as the Proposal, may present challenges and concerns, including "that shareholders may not know that proposals are being submitted on their behalf." Accordingly, in evaluating whether there is a basis to exclude a proposal under the eligibility requirements of Rule 14a-8(b), as addressed below, SLB 14I states that in general the Division would expect any shareholder who submits a proposal by proxy to provide documentation to:

- identify the shareholder-proponent and the person or entity selected as proxy;
- identify the company to which the proposal is directed;
- identify the annual or special meeting for which the proposal is submitted;
- identify the specific proposal to be submitted (e.g., proposal to lower the threshold for calling a special meeting from 25% to 10%); and
- be signed and dated by the shareholder.

The documentation that you provided with the Proposal raises the concerns referred to in SLB 14I. Specifically, the Proposal raises the concerns referred to in SLB 14I because the documentation from each of the Proponents purporting to authorize you to act on each Proponent's behalf does not identify the Proposal as the specific proposal to be submitted. The documentation provided by each Proponent describes the proposal that you are authorized to submit as "[c]limate change risk reporting." In contrast, the subject matter of the Proposal is not focused on the overly broad topic of "[c]limate change risk reporting," but instead addresses how the Company plans to respond to the risk of stranded assets of current and planned natural gas-based infrastructure and assets. To remedy this defect, each Proponent should provide documentation that confirms that as of the date you submitted the Proposal, each Proponent had instructed or authorized you to submit the Proposal to the Company on each Proponent's behalf. Such documentation should identify the specific proposal authorized to be submitted.

## **2. Proof of Continuous Ownership**

To the extent the Proponents authorized you to submit the Proposal to the Company, please note the following. Rule 14a-8(b) under the Securities Exchange Act of 1934, as amended, provides that shareholder proponents must submit sufficient proof of their continuous ownership of at least \$2,000 in market value, or 1%, of a company's shares entitled to vote on the proposal for at least one year as of the date the shareholder proposal was submitted. The Company's stock records do not indicate that the Proponents are the record owners of sufficient shares to satisfy this requirement. In addition, to date we have not received proof that the Proponents have satisfied Rule 14a-8's ownership requirements as of the date that the Proposal was submitted to the Company.

To remedy this defect, each Proponent must submit sufficient proof of the Proponent's continuous ownership of the required number or amount of Company shares for the one-year period preceding and including November 20, 2019, the date the Proposal was submitted to the Company. As explained in Rule 14a-8(b) and in SEC staff guidance, sufficient proof must be in the form of:

- (1) a written statement from the "record" holder of the Proponent's shares (usually a broker or a bank) verifying that the Proponent continuously held the required number or amount of Company shares for the one-year period preceding and including November 20, 2019; or
- (2) if the Proponent has filed with the SEC a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5, or amendments to those documents or updated forms, reflecting the Proponent's ownership of the required number or amount of Company shares as of or before the date on which the one-year eligibility period begins, a copy of the schedule and/or form, and any subsequent amendments reporting a change in the ownership level and a written statement that the Proponent continuously held the required number or amount of Company shares for the one-year period.

If any Proponent intends to demonstrate ownership by submitting a written statement from the “record” holder of the Proponent’s shares as set forth in (1) above, please note that most large U.S. brokers and banks deposit their customers’ securities with, and hold those securities through, the Depository Trust Company (“DTC”), a registered clearing agency that acts as a securities depository (DTC is also known through the account name of Cede & Co.). Under SEC Staff Legal Bulletin No. 14F, only DTC participants are viewed as record holders of securities that are deposited at DTC. You can confirm whether the Proponent’s broker or bank is a DTC participant by asking the Proponent’s broker or bank or by checking DTC’s participant list, which is available at <http://www.dtcc.com/~media/Files/Downloads/client-center/DTC/alpha.ashx>. In these situations, shareholders need to obtain proof of ownership from the DTC participant through which the securities are held, as follows:

- (1) If the Proponent’s broker or bank is a DTC participant, then the Proponent needs to submit a written statement from the Proponent’s broker or bank verifying that the Proponent continuously held the required number or amount of Company shares for the one-year period preceding and including November 20, 2019.
- (2) If the Proponent’s broker or bank is not a DTC participant, then the Proponent needs to submit proof of ownership from the DTC participant through which the shares are held verifying that the Proponent continuously held the required number or amount of Company shares for the one-year period preceding and including November 20, 2019. You should be able to find out the identity of the DTC participant by asking the Proponent’s broker or bank. If the Proponent’s broker is an introducing broker, you may also be able to learn the identity and telephone number of the DTC participant through the Proponent’s account statements, because the clearing broker identified on the account statements will generally be a DTC participant. If the DTC participant that holds the Proponent’s shares is not able to confirm the Proponent’s individual holdings but is able to confirm the holdings of the Proponent’s broker or bank, then the Proponent needs to satisfy the proof of ownership requirements by obtaining and submitting two proof of ownership statements verifying that, for the one-year period preceding and including November 20, 2019, the required number or amount of Company shares were continuously held: (i) one from the Proponent’s broker or bank confirming the Proponent’s ownership, and (ii) the other from the DTC participant confirming the broker or bank’s ownership.

### **3. Intent to Hold Shares**

As discussed above, under Rule 14a-8(b) of the Exchange Act, a shareholder must have continuously held at least \$2,000 in market value, or 1%, of the Company’s securities entitled to be voted on the Proposal at the shareholders’ meeting for at least one year as of the date the Proposal was submitted to the Company, and must provide to the Company a written statement of the shareholder’s intent to continue to hold the required number or amount of shares through the date of the shareholders’ meeting at which the Proposal will be voted on by the shareholders.

Lila Holzman  
November 25, 2019  
Page 4

Your correspondence did not include such a statement. To remedy this defect, each Proponent must submit a written statement that it intends to continue holding the required number or amount of Company shares through the date of the Company's 2020 Annual Shareholders Meeting.

The SEC's rules require that any response to this letter be postmarked or transmitted electronically no later than 14 calendar days from the date you receive this letter. Please address any response to me at 488 8th Avenue, San Diego, CA 92101-3071. Alternatively, you may transmit any response by email to me at [JSpira@sempra.com](mailto:JSpira@sempra.com) or by facsimile at (619) 699-5027.

If you have any questions with respect to the foregoing, please contact me at (619) 696-4373. For your reference, I enclose a copy of Rule 14a-8 and Staff Legal Bulletin No. 14F.

Sincerely,



James M. Spira  
Associate General Counsel

Enclosures

cc: Maida L Brankman Revocable Trust  
Wynnette M. LaBrosse Trust



December 9, 2019

**VIA E-MAIL**

James Spira  
Associate General Counsel  
488 8<sup>th</sup> Avenue  
San Diego, CA 92101-3071  
[jspira@sempra.com](mailto:jspira@sempra.com)

**Re: Response to Notice of Deficiency Letter**

Dear Mr. Spira,

I write in response to your letter issued November 25, 2019 alleging deficiencies in our November 20, 2019 letter submitting a shareholder proposal (the Proposal) on behalf of The Stewart W Taggart & Rebecca W Taggart JT REV TR UAD 08/29/17, Maida L Brankman Revocable Trust, Wynnette M. LaBrosse Trust (each a “Proponent” and, collectively, the “Proponents”) for inclusion in Sempra Energy’s (the Company) 2020 proxy statement.

The Proposal asks the Company to prepare a report “describing how it is responding to the risk of stranded assets of current and planned natural gas-based infrastructure and assets, as the global response to climate change intensifies.” Both the authorization letter and our prior transmittal to the Proponents about the Proposal make clear that the Proponents had full information about the focus of the Proposal prior to authorizing the filing.

The Trustee of The Stewart W Taggart & Rebecca W Taggart JT REV TR UAD 08/29/17, Stewart Taggart, actively communicated with me about the Proponent’s concerns regarding premature write-down risk for the Company’s natural gas-related assets due to climate change. Mr. Taggart saw multiple drafts of the Proposal before filing (see attached email dated 11/13/2019)<sup>1</sup> and confirmed the Proponent’s wish to be represented by *As You Sow* in the filing of the Proposal by signing the previously provided authorization letter. Furthermore, the Proponent withdrew a previously submitted and similar shareholder proposal to the Company, instead authorizing *As You Sow* to submit the Proposal at issue on its behalf.

Similarly, Trustees of Maida L Brankman Revocable Trust and Wynnette M. LaBrosse Trust both reviewed a summary of the Proposal stating that the Proposal addresses: “the growing risks of climate change and how the company should address those risks.”

The authorization letters state that the resolution at issue requests “climate change risk reporting,” a description which correctly encapsulates the objective of the Proposal, i.e., seeking information on how the Company is responding to concerns that it is “exposing itself to climate-related risks by investing in significant gas holdings that may become stranded.”

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<sup>1</sup> Portions of this email that are irrelevant to the issue raised in your deficiency notice have been redacted.



Based on the above, the Proponents' authorization letters sufficiently identify the objective of the Proposal – that the Company reduce its climate-related risk – thereby satisfying the purpose of the Securities and Exchange Commission (SEC)'s guidance in Staff Legal Bulletin No. 14I.D (Nov. 1, 2017) (SLB 14I) of ensuring that shareholders know that proposals are being submitted on their behalf.

In response to the alleged deficiency concerning proof of the Proponent's continuous ownership of the Company's shares, we also enclose a proof of ownership letter establishing the Proponent's ownership of the Company's common stock in the requisite amount and in the timeframe necessary to meet eligibility requirements. We also enclose an addendum letter confirming intent to hold shares until the Company's shareholder meeting.

SEC Rule 14a-8(f) requires a company to provide notice of specific deficiencies in a shareholder's proof of eligibility to submit a proposal. We therefore request that you notify us if you believe any deficiencies remain.

Please confirm receipt of this correspondence.

Sincerely,

Lila Holzman  
Energy Program Manager  
*As You Sow*

Enclosures:

- Proof of ownership letters
- Authorization addendum letter
- 11/13/2019 email and attached shareholder proposal

November 27, 2019

RE: Sempra Energy

To Whom It May Concern:

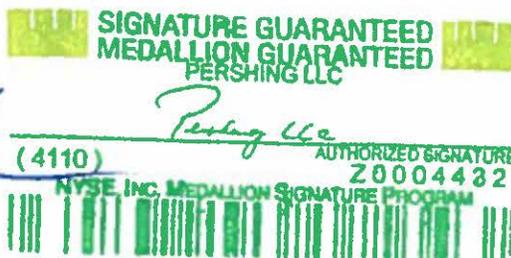
Pershing LLC, a DTC participant with a DTC number of 0443, acts as the custodian for The Stewart W Taggart & Rebecca W Taggart JT REV TR UAD 08/29/17. As of the date of this letter, The Stewart W Taggart & Rebecca W Taggart JT REV TR UAD 08/29/17 held, and has held continuously for at least 395 days, 30 shares of Sempra Energy common stock, CUSIP #816851109.

Regards,

Authorized Signature



Joseph LaVara  
Vice President



12/5/2019 | 9:20:10 AM PST

Andrew Behar

CEO

As You Sow

2150 Kittredge St., Suite 450

Berkeley, CA 94704

**Re: ADDENDUM LETTER to Authorization to File Shareholder Resolution**

Dear Andrew Behar,

The undersigned submits the addendum below to an earlier signed letter that authorizes *As You Sow* to file, co-file, or endorse a shareholder resolution on Stockholder's behalf for inclusion in the company's proxy statement in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934. The company name, resolution name, and resolution date are set forth below.

**The Stockholder:** Wynnette M. LaBrosse Trust

**Company:** Sempra Energy

**Annual Meeting/Proxy Statement Year:** 2020

**Resolution Name:** Climate change risk reporting

The Stockholder has continuously owned over \$2,000 worth of company stock, with voting rights, for over a year. **ADDENDUM:** The Stockholder intends to hold the required amount of stock through the date of the company's annual meeting in 2020.

Sincerely,

DocuSigned by:

  
6A6CFBAFEE40454...

Name: Wynnette M. LaBrosse

Title: Trustee

**Subject:** Utility Resolution Updates  
**Date:** Wednesday, November 13, 2019 at 4:49:40 PM Pacific Standard Time  
**From:** Lila Holzman  
**To:** Stewart Taggart  
**CC:** Andy Behar, Kwan Hong Teoh  
**Attachments:** [REDACTED] Resolution\_Sempra\_Climate-Gas\_20191112\_DRAFT.docx,  
[REDACTED]

Hi Stewart,

I'm writing with a few updates on our progress.

- I know we sent you a previous draft of our Sempra and [REDACTED] resolutions. We have since made further updates, and both of these draft resolutions are attached to this email. We are continuing to edit and refine these in advance of their fast-approaching deadlines! Can you please confirm that 1) you have withdrawn your resolutions at these two companies and 2) are providing my colleague Kwan (cc'd) with your authorization and associated paperwork to file our Sempra & [REDACTED] resolutions using your shares? We'd like to have this paperwork squared away to be able to file as soon as the resolutions are finalized next week. Thank you!

- [REDACTED]

Best Regards,  
Lila

---

**Lila Holzman**  
**Energy Program Manager**  
**As You Sow**  
2150 Kittredge St., Suite 450  
Berkeley, CA 94704  
(510) 735-8153 (direct line) | (415) 483-9533 (cell)  
[holzman@asyousow.org](mailto:holzman@asyousow.org) | [www.asyousow.org](http://www.asyousow.org)

[REDACTED]

[REDACTED]

[REDACTED]

[Redacted]

[Redacted]

**Whereas:** The Intergovernmental Panel on Climate Change released a report finding that "rapid, far-reaching" changes are necessary in the next 10 years to avoid disastrous levels of global warming.<sup>1</sup>

The energy sector plays a critical role in mitigating climate risks. Already, the sector is undergoing a rapid transition in response to climate concerns and other market forces.

Natural gas is a major contributor to climate change due to methane leaks and routine combustion emissions. In 2018, gas contributed to an *increase* in power sector emissions,<sup>2</sup> jeopardizing chances of achieving reductions in line with the Paris Agreement's goal of keeping global warming below 1.5 degrees Celsius. Analysts have concluded that building new gas infrastructure may be uneconomic and result in costly stranded assets comparable to early retirements now occurring for coal.<sup>3</sup> While some low-carbon scenarios show gas use continuing, this is reliant on carbon removal technologies -- a risky assumption given the technology has not proven economic at scale.<sup>4</sup>

Options such as renewables plus storage, demand response, electrification, and energy efficiency are all increasingly cost-effective means of serving energy needs while reducing gas use and climate impacts.<sup>5</sup> City governments, recognizing gas' harmful climate impacts, are setting policies prohibiting gas hookups for new buildings in favor of safer, healthier electric buildings.<sup>6</sup> Furthermore, the state of California has set ambitious mid century clean energy targets,<sup>7</sup> San Diego is pursuing 100 percent clean energy programs,<sup>8</sup> and civil society pressure continues to mount against fossil fuels. As this opposition to gas grows, Sempra's response has been to lobby local officials to support gas over electrification through passage of resolutions, running counter to ratepayer and climate considerations.<sup>9</sup>

Sempra's existing climate targets are short term, and investors lack sufficient information to understand if or how the Company can reconcile its growing reliance on natural gas with achieving California's decarbonization targets. Notably, the company has proposed increased investment in fossil and renewable natural gas. While renewable gas from organic waste material<sup>10</sup> can provide some short term benefits compared to fossil gas, in the long-term

<sup>1</sup> <https://www.ipcc.ch/2018/10/08/summary-for-policymakers-of-ipcc-special-report-on-global-warming-of-1-5c-approved-by-governments/>

<sup>2</sup> <https://www.nytimes.com/2019/01/08/climate/greenhouse-gas-emissions-increase.html>

<sup>3</sup> <https://rmi.org/a-bridge-backward-the-risky-economics-of-new-natural-gas-infrastructure-in-the-united-states/>

<sup>4</sup> <https://www.ipcc.ch/sr15/chapter/chapter-2/>

<sup>5</sup> <https://www.utilitydive.com/news/renewables-storage-poised-to-undercut-natural-gas-prices-increase-stranded/562674/>

<sup>6</sup> <https://www.houstonchronicle.com/business/energy/article/Cities-target-gas-heaters-stoves-in-new-front-of-14537156.php>

<sup>7</sup> <https://www.greentechmedia.com/articles/read/its-official-gov-brown-signs-100-clean-energy-into-law#gs.8TFSrm4>

<sup>8</sup> <https://www.nbcсандiego.com/news/local/San-Diegos-Next-Steps-for-Achieving-100-Renewable-Energy-509333451.html>

<sup>9</sup> <https://www.latimes.com/environment/story/2019-10-22/southern-california-gas-climate-change>

<sup>10</sup> <https://www.socalgas.com/smart-energy/renewable-gas/what-is-renewable-natural-gas>

renewable natural gas faces supply constraints.<sup>11</sup> The Company's disclosures indicate Sempra is continuing to invest in expensive gas infrastructure and is not sufficiently addressing how those assets and their depreciation timelines reconcile with state decarbonization goals.<sup>12, 13</sup>

Peer utilities, including NextEra<sup>14</sup> and Xcel,<sup>15</sup> have avoided investing in new gas infrastructure by replacing coal assets with renewables and storage, creating win-win solutions. Shareholders are concerned Sempra is lagging behind and exposing itself to climate-related risks by investing in significant gas holdings that may become stranded.

**Resolved:** Shareholders request that Sempra issue a report, at reasonable cost and omitting proprietary information, describing how it is responding to the risk of stranded assets of current and planned natural gas-based infrastructure and assets, as the global response to climate change intensifies.

<sup>11</sup> <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=18-IEPR-01>; TN 226392

<sup>12</sup> <http://investor.sempra.com/static-files/b56277cd-bd7a-43cb-ad18-73015843895b>, p.34, p.65

<sup>13</sup> <https://www.sempra.com/sites/default/files/content/files/node-page/file-list/2019/2018-corporate-sustainability-report-semprav2.pdf>, p.7

<sup>14</sup> <https://www.greentechmedia.com/articles/read/nextera-inks-even-bigger-windsolarstorage-deal-with-oklahoma-cooperative>

<sup>15</sup> <https://www.utilitydive.com/news/lazard-renewables-can-challenge-existing-coal-plants-on-price/541965/>

**Subject:** Fwd: Quick question  
**Date:** Monday, December 9, 2019 at 4:09:30 PM Pacific Standard Time  
**From:** Lila Holzman  
**To:** Kwan Hong Teoh, Danielle Fugere  
**Category:** Internal

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**From:** Stewart Taggart \*\*\* >  
**Sent:** Monday, December 9, 2019 6:40:30 PM  
**To:** Lila Holzman <lholzman@asyousow.org>  
**Subject:** Re: Quick question

I did.

On Dec 10, 2019, at 6:57 AM, Lila Holzman <lholzman@asyousow.org> wrote:

Hi Stewart,  
Working on our paperwork. Just looking for a quick confirmation that you reviewed our Sempra proposal before submission. Can you reply to this email confirming for our records?  
Many thanks,  
Lila

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**From:** Patricia Regan <[PRegan@CDPTexas.org](mailto:PRegan@CDPTexas.org)>  
**Sent:** Saturday, November 23, 2019 8:15:43 AM  
**To:** Jett, Jennifer <[jjett@sempra.com](mailto:jjett@sempra.com)>  
**Subject:** [EXTERNAL] resolutions

\*\*\* EXTERNAL EMAIL - Be cautious of attachments, web links, and requests for information \*\*\*

Please see attached resolutions filed for Providence Trust and Congregation of Divine Providence

**Sister Patricia Regan, CDP  
General Treasurer**

**P:** (210) 587-1150  
**F:** (210) 431-9965  
**E:** [pregan@cdptexas.org](mailto:pregan@cdptexas.org)

CONGREGATION OF DIVINE PROVIDENCE  
SAN ANTONIO, TEXAS

*Abandonment to Divine Providence • Simplicity • Poverty • Charity*



CONFIDENTIALITY NOTICE: The information contained in this communication, including attachments, is privileged and confidential. It is intended only for the exclusive use of the addressee. If the reader is not the intended recipient, or the employee, or the agent responsible for delivering it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us by return email or telephone immediately. Thank you.

CONGREGATION OF DIVINE PROVIDENCE  
SAN ANTONIO, TEXAS

November 22, 2019

Jennifer F. Jett  
Corporate Secretary  
Sempra Energy  
488 8th Ave.  
San Diego, CA 92101

Email: [jjett@sempra.com](mailto:jjett@sempra.com)

Dear Ms. Jett:

I am writing you on behalf of Congregation of Divine Providence to co-file the stockholder resolution on Report on Reducing GHG. In brief, the proposal states: **RESOLVED**, shareholders request that Sempra issue a report, at reasonable cost and omitting proprietary information, describing how it is responding to the risk of stranded assets of current and planned natural gas-based infrastructure and assets, as the global response to climate change intensifies.

I am hereby authorized to notify you of our intention to co-file this shareholder proposal with As You Sow. I submit it for inclusion in the 2020 proxy statement for consideration and action by the shareholders at the 2020 annual meeting in accordance with Rule 14-a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934. We are the beneficial owner, as defined in Rule 13d-3 of the Securities Exchange Act of 1934, of \$2,000 worth of the shares.

We have been a continuous shareholder for one year of \$2,000 in market value of Sempra Energy stock and will continue to hold at least \$2,000 of Sempra Energy stock through the next annual meeting. Verification of our ownership position will be sent by our custodian. A representative of the filers will attend the stockholders' meeting to move the resolution as required by SEC rules.

We truly hope that the company will be willing to dialogue with the filers about this proposal. We consider As You Sow the lead filer of this resolution. As such, As You Sow, serving as the primary filer, is authorized to act on our behalf in all aspects of the resolution, including negotiation and deputize them to withdraw the resolution on our behalf if an agreement is reached. Please note that the contact person for this resolution/proposal will be Lila Holzman, of As You Sow who may be reached by email: [lholzman@asyousow.org](mailto:lholzman@asyousow.org).

As a co-filer, however, we respectfully request direct communication from the company and to be listed in the proxy.

Sincerely,



Sister Patricia Regan  
General Treasurer

## 2020 Sempra Energy Report on Reducing GHG

**Whereas:** The Intergovernmental Panel on Climate Change released a report finding that "rapid, far-reaching" changes are necessary in the next 10 years to avoid disastrous levels of global warming.<sup>1</sup>

The energy sector plays a critical role in mitigating climate risk. Already, the sector is undergoing a rapid transition by moving away from coal, but growing reliance on natural gas creates ongoing risk. Natural gas is a major contributor to climate change due to combustion emissions and methane leaks. In 2018, gas contributed to an increase in power sector emissions,<sup>2</sup> jeopardizing chances of achieving reductions in line with the Paris Agreement's goal of keeping global warming below 1.5 degrees Celsius.

Building new gas infrastructure may be uneconomic and result in costly stranded assets comparable to early retirements now occurring for coal.<sup>3</sup> While some low-carbon scenarios show gas use continuing, they rely on significant carbon removal technologies -- a risky assumption given the technology has not proven economic at scale.<sup>4</sup>

Demand response, energy efficiency, renewables plus storage, and electrification are all increasingly cost-effective means of serving energy needs while reducing gas use and climate impacts.<sup>5</sup> City governments, recognizing gas' climate impacts, are setting policies prohibiting gas hookups for new buildings in favor of safer, healthier electric buildings.<sup>6</sup> Furthermore, the state of California has set ambitious mid-century clean energy targets,<sup>7</sup> San Diego is pursuing 100 percent clean energy programs,<sup>8</sup> and civil society pressure continues to mount against fossil fuels. As this opposition to gas grows, Sempra has increased lobbying of local officials to support gas over electrification through proposals that run counter to ratepayer and climate considerations.<sup>9</sup>

Sempra's existing climate targets are short term, and investors lack sufficient information to understand if or how the Company can reconcile its reliance on natural gas with achieving California's decarbonization targets. The Company's disclosures indicate Sempra is continuing to invest in expensive natural gas-related infrastructure and is not sufficiently addressing how those assets and their depreciation timelines reconcile with state decarbonization goals.<sup>10, 11</sup> Notably, the company has proposed increased investment in renewable natural gas. While renewable gas from organic waste material<sup>12</sup> can provide climate benefits compared to fossil gas, renewable natural gas has significant supply constraints<sup>13</sup> and is unlikely to provide the majority of Sempra's future energy needs.

Peer utilities, including NextEra<sup>14</sup> and Xcel,<sup>15</sup> have avoided investing in new gas infrastructure by replacing coal assets with renewables and storage, creating win-win solutions. Shareholders are concerned Sempra is lagging behind and exposing itself to climate-related risks by investing in significant gas holdings that may become stranded.

**Resolved:** Shareholders request that Sempra issue a report, at reasonable cost and omitting proprietary information, describing how it is responding to the risk of stranded assets of current and planned natural gas-based infrastructure and assets, as the global response to climate change intensifies.

<sup>1</sup> <https://www.ipcc.ch/2018/10/08/summary-for-policymakers-of-ipcc-special-report-on-global-warming-of-1-5c-approved-by-governments/>

<sup>2</sup> <https://www.nytimes.com/2019/01/08/climate/greenhouse-gas-emissions-increase.html>

<sup>3</sup> <https://rmi.org/a-bridge-backward-the-risky-economics-of-new-natural-gas-infrastructure-in-the-united-states/>

<sup>4</sup> <https://www.ipcc.ch/sr15/chapter/chapter-2/>

<sup>5</sup> <https://www.utilitydive.com/news/renewables-storage-poised-to-undercut-natural-gas-prices-increase-stranded/562674/>

<sup>6</sup> <https://www.houstonchronicle.com/business/energy/article/Cities-target-gas-heaters-stoves-in-new-front-of-14537156.php>

<sup>7</sup> <https://www.greentechmedia.com/articles/read/its-official-gov-brown-signs-100-clean-energy-into-law#gs.8TFSrm4>

<sup>8</sup> <https://www.nbcсандiego.com/news/local/San-Diegos-Next-Steps-for-Achieving-100-Renewable-Energy-509333451.html>

<sup>9</sup> <https://www.latimes.com/environment/story/2019-10-22/southern-california-gas-climate-change>

<sup>10</sup> <http://investor.sempra.com/static-files/b56277cd-bd7a-43cb-ad18-73015843895b>, p.34, p.65

<sup>11</sup> <https://www.sempra.com/sites/default/files/content/files/node-page/file-list/2019/2018-corporate-sustainability-report-semprav2.pdf>, p.7

<sup>12</sup> <https://www.socalgas.com/smart-energy/renewable-gas/what-is-renewable-natural-gas>

<sup>13</sup> <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=18-IEPR-01; TN 226392>

<sup>14</sup> <https://www.greentechmedia.com/articles/read/nextera-inks-even-bigger-windsolar-storage-deal-with-oklahoma-cooperative>

<sup>15</sup> <https://www.utilitydive.com/news/lazard-renewables-can-challenge-existing-coal-plants-on-price/541965/>

PROVIDENCE TRUST

SAN ANTONIO, TEXAS

November 22, 2019

Jennifer F. Jett  
Corporate Secretary  
Sempra Energy  
488 8th Ave.  
San Diego, CA 92101

Email: [jjett@sempra.com](mailto:jjett@sempra.com)

Dear Ms. Jett:

I am writing you on behalf of Providence Trust to co-file the stockholder resolution on Report on Reducing GHG. In brief, the proposal states: **RESOLVED**, shareholders request that Sempra issue a report, at reasonable cost and omitting proprietary information, describing how it is responding to the risk of stranded assets of current and planned natural gas-based infrastructure and assets, as the global response to climate change intensifies.

I am hereby authorized to notify you of our intention to co-file this shareholder proposal with As You Sow. I submit it for inclusion in the 2020 proxy statement for consideration and action by the shareholders at the 2020 annual meeting in accordance with Rule 14-a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934. We are the beneficial owner, as defined in Rule 13d-3 of the Securities Exchange Act of 1934, of \$2,000 worth of the shares.

We have been a continuous shareholder for one year of \$2,000 in market value of Sempra Energy stock and will continue to hold at least \$2,000 of Sempra Energy stock through the next annual meeting. Verification of our ownership position will be sent by our custodian. A representative of the filers will attend the stockholders' meeting to move the resolution as required by SEC rules.

We truly hope that the company will be willing to dialogue with the filers about this proposal. We consider As You Sow the lead filer of this resolution. As such, As You Sow, serving as the primary filer, is authorized to act on our behalf in all aspects of the resolution, including negotiation and deputize them to withdraw the resolution on our behalf if an agreement is reached. Please note that the contact person for this resolution/proposal will be Lila Holzman, of As You Sow who may be reached by email: [lholzman@asyousow.org](mailto:lholzman@asyousow.org).

As a co-filer, however, we respectfully request direct communication from the company and to be listed in the proxy.

Sincerely,



Sister Ramona Bezner  
Trustee

## 2020 Sempra Energy Report on Reducing GHG

**Whereas:** The Intergovernmental Panel on Climate Change released a report finding that "rapid, far-reaching" changes are necessary in the next 10 years to avoid disastrous levels of global warming.<sup>1</sup>

The energy sector plays a critical role in mitigating climate risk. Already, the sector is undergoing a rapid transition by moving away from coal, but growing reliance on natural gas creates ongoing risk. Natural gas is a major contributor to climate change due to combustion emissions and methane leaks. In 2018, gas contributed to an increase in power sector emissions,<sup>2</sup> jeopardizing chances of achieving reductions in line with the Paris Agreement's goal of keeping global warming below 1.5 degrees Celsius.

Building new gas infrastructure may be uneconomic and result in costly stranded assets comparable to early retirements now occurring for coal.<sup>3</sup> While some low-carbon scenarios show gas use continuing, they rely on significant carbon removal technologies -- a risky assumption given the technology has not proven economic at scale.<sup>4</sup>

Demand response, energy efficiency, renewables plus storage, and electrification are all increasingly cost-effective means of serving energy needs while reducing gas use and climate impacts.<sup>5</sup> City governments, recognizing gas' climate impacts, are setting policies prohibiting gas hookups for new buildings in favor of safer, healthier electric buildings.<sup>6</sup> Furthermore, the state of California has set ambitious mid-century clean energy targets,<sup>7</sup> San Diego is pursuing 100 percent clean energy programs,<sup>8</sup> and civil society pressure continues to mount against fossil fuels. As this opposition to gas grows, Sempra has increased lobbying of local officials to support gas over electrification through proposals that run counter to ratepayer and climate considerations.<sup>9</sup>

Sempra's existing climate targets are short term, and investors lack sufficient information to understand if or how the Company can reconcile its reliance on natural gas with achieving California's decarbonization targets. The Company's disclosures indicate Sempra is continuing to invest in expensive natural gas-related infrastructure and is not sufficiently addressing how those assets and their depreciation timelines reconcile with state decarbonization goals.<sup>10, 11</sup> Notably, the company has proposed increased investment in renewable natural gas. While renewable gas from organic waste material<sup>12</sup> can provide climate benefits compared to fossil gas, renewable natural gas has significant supply constraints<sup>13</sup> and is unlikely to provide the majority of Sempra's future energy needs.

Peer utilities, including NextEra<sup>14</sup> and Xcel,<sup>15</sup> have avoided investing in new gas infrastructure by replacing coal assets with renewables and storage, creating win-win solutions. Shareholders are concerned Sempra is lagging behind and exposing itself to climate-related risks by investing in significant gas holdings that may become stranded.

**Resolved:** Shareholders request that Sempra issue a report, at reasonable cost and omitting proprietary information, describing how it is responding to the risk of stranded assets of current and planned natural gas-based infrastructure and assets, as the global response to climate change intensifies.

<sup>1</sup> <https://www.ipcc.ch/2018/10/08/summary-for-policymakers-of-ipcc-special-report-on-global-warming-of-1-5c-approved-by-governments/>

<sup>2</sup> <https://www.nytimes.com/2019/01/08/climate/greenhouse-gas-emissions-increase.html>

<sup>3</sup> <https://rmi.org/a-bridge-backward-the-risky-economics-of-new-natural-gas-infrastructure-in-the-united-states/>

<sup>4</sup> <https://www.ipcc.ch/sr15/chapter/chapter-2/>

<sup>5</sup> <https://www.utilitydive.com/news/renewables-storage-poised-to-undercut-natural-gas-prices-increase-stranded/562674/>

<sup>6</sup> <https://www.houstonchronicle.com/business/energy/article/Cities-target-gas-heaters-stoves-in-new-front-of-14537156.php>

<sup>7</sup> <https://www.greentechmedia.com/articles/read/its-official-gov-brown-signs-100-clean-energy-into-law#gs.8TF5rm4>

<sup>8</sup> <https://www.nbcsandiego.com/news/local/San-Diegos-Next-Steps-for-Achieving-100-Renewable-Energy-509333451.html>

<sup>9</sup> <https://www.latimes.com/environment/story/2019-10-22/southern-california-gas-climate-change>

<sup>10</sup> <http://investor.sempra.com/static-files/b56277cd-bd7a-43cb-ad18-73015843895b>, p.34, p.65

<sup>11</sup> <https://www.sempra.com/sites/default/files/content/files/node-page/file-list/2019/2018-corporate-sustainability-report-semprav2.pdf>, p.7

<sup>12</sup> <https://www.socalgas.com/smart-energy/renewable-gas/what-is-renewable-natural-gas>

<sup>13</sup> <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=18-IEPR-01; TN 226392>

<sup>14</sup> <https://www.greentechmedia.com/articles/read/nextera-inks-even-bigger-windsolar-storage-deal-with-oklahoma-cooperative>

<sup>15</sup> <https://www.utilitydive.com/news/lazard-renewables-can-challenge-existing-coal-plants-on-price/541965/>

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Graystone  
Consulting<sup>SM</sup>

November 22, 2019

Jennifer F. Jett  
Corporate Secretary  
Sempra Energy  
488 8<sup>th</sup> Ave  
San Diego, CA 92101

Sent by Email: [jjett@sempra.com](mailto:jjett@sempra.com)

Re: Co-filing of shareholder resolution: Report on Reducing GHG

As of November 22, 2019, Congregation of the Divine Providence and Providence Trust held, and has held continuously for at least one year, 49 shares and 141 shares of Sempra Energy (SRE) common stock. These shares have been held with Morgan Stanley, DTC 0015.

If you need further information please contact us at 1-800-733-3041.

Sincerely,



**Heidi Siller**

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