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November 24, 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 Stewart Taggart
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 2021 Annual Shareholders Meeting (collectively, the "2021 Proxy Materials") a shareholder proposal and revised shareholder proposal, including statements in support thereof received from Stewart Taggart (the "Proponent"). The Company received a proposal (the "Original Proposal"), which is attached hereto as Exhibit A, on June 22, 2020, and subsequently received a revised proposal (the "Revised Proposal" and, together with the Original Proposal, the "Proposal"), which is attached hereto as Exhibit E, on July 30, 2020.

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

- filed this letter with the Securities and Exchange Commission (the "Commission") no later than eighty (80) calendar days before the Company intends to file its definitive 2021 Proxy Materials with the Commission; and

- concurrently sent a copy of this correspondence to the Proponent.

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 proponent elects to submit to the Commission or the staff of the Division of Corporation Finance (the "Staff"). Accordingly, we are taking this opportunity to inform the Proponent that if he elects to submit additional correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

FISMA & OMB Memorandum M-07-16

BASIS FOR EXCLUSION

We hereby respectfully request that the Staff concur in our view that the Proposal may be excluded from the 2021 Proxy Materials pursuant to Rule 14a-8(b) and Rule 14a-8(f)(1) because the Proponent failed to provide, and in a timely manner, the requisite proof of continuous share ownership in response to the Company's proper request for that information.

BACKGROUND

The Original Proposal was submitted to the Company in a letter received by the Company via FedEx on June 22, 2020.[1] *See* Exhibit A. The Proponent did not include with the letter any documentary evidence of his ownership of Company shares. In addition, the Company reviewed its stock records, which did not indicate that the Proponent was a record owner of Company shares.

Accordingly, the Company properly sought verification of share ownership from the Proponent. Specifically, the Company sent the Proponent a letter dated June 24, 2020 identifying the deficiency, notifying the Proponent of the requirements of Rule 14a-8 and explaining how the Proponent could cure the procedural deficiency (the "Deficiency Notice"). The Deficiency Notice, attached hereto as Exhibit B, provided detailed information regarding the "record" holder requirements, as clarified by Staff Legal Bulletin No. 14F (Oct. 18, 2011) ("SLB 14F"), and attached a copy of Rule 14a-8 and SLB 14F. Specifically, the Deficiency Notice stated:

- the ownership requirements of Rule 14a-8(b);
- that, according to the Company's stock records, the Proponent was not a record owner of sufficient shares;
- the type of statement or documentation necessary to demonstrate beneficial ownership under Rule 14a-8(b), including "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 June 18, 2020," the date the Original Proposal was submitted to the Company; and

[1] Although the cover letter accompanying the Original Proposal was dated June 19, 2020, FedEx tracking, including the shipping label included in Exhibit A, indicates that the ship date (*i.e.*, the submission date) was June 18, 2020.

- that any response had to be postmarked or transmitted electronically no later than 14 calendar days from the date the Proponent received the Deficiency Notice.

Additionally, the Deficiency Notice stated:

> 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] need[s] 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 June 18, 2020, 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 Company sent the Deficiency Notice via e-mail on June 24, 2020 and by overnight delivery on June 25, 2020, each of which was within 14 calendar days of the Company's receipt of the Original Proposal. *See* Exhibit B. The deadline for any response to the Deficiency Notice (the "14-Day Deadline") was July 8, 2020, based on the e-mailed Deficiency Notice and consistent with the Proponent's request in his June 19, 2020 letter that all communications be sent via e-mail ("The only way to reach me is via e-mail.").

The Proponent replied on June 25, 2020 to the e-mail containing the Deficiency Notice (which reflects his receipt of the e-mailed Deficiency Notice) and indicated that he would provide the requisite proof of ownership. *See* Exhibit C. Additional e-mail correspondence between the Proponent and Company followed between June 26, 2020 and July 5, 2020.[2] *See* Exhibit D. At no point during this period did the Proponent provide the requisite proof of ownership; instead, the Proponent repeatedly stated that it was forthcoming. The Proponent then submitted a response on July 28, 2020, which the Company received via FedEx on July 30, 2020, 36 days after the Proponent received the timely Deficiency Notice. *See* Exhibit E. This response included the Revised Proposal, which was modified only to correct one typo ("acccording" to "according"), revise "midcentury" to "mid century", add one colon and delete all periods, along with a cover letter indicating that the Proponent would send confirmation of his ownership of shares from Fiduciary Trust Company International (the "Broker"), because JP Morgan, the DTC participant (the "DTC Participant") that acted as custodian for the Broker, "holds the shares in an 'omnibus structure' that does not allow identification of individual share holdings". *See id.* Subsequently, on August 6, 2020 (43 days after the Proponent received the timely Deficiency

[2] This includes the Company sending on July 2, 2020 a supplemental deficiency notice notifying the Proponent that the Original Proposal contained an additional procedural deficiency, which is not relevant at this time.

Notice), the Company received via FedEx another letter, dated August 4, 2020, in which the Proponent acknowledged that he earlier "missed the deadline for providing proof of [C]ompany share ownership" and attached a letter from his Broker. *See* Exhibit F. He further indicated his belief that submitting the Revised Proposal "followed in short order by this share holding confirmation should square all this away." The Broker's letter, dated July 29, 2020, indicated that the Proponent's shares were held on the Broker's behalf by the DTC Participant "in an omnibus structure that does not allow [the DTC Participant] to see or know the name(s) of the underlying beneficial owner account at [the Broker]," and that as a result, only the Broker could confirm the number of Company shares held on behalf of the Proponent. *Id*. However, the Proponent did not include a separate letter from the DTC Participant confirming the Broker's ownership, despite the Company's clear instruction in the Deficiency Notice to also include a statement from the DTC Participant. As of the date of this letter, the Company has not received further correspondence or evidentiary proof from the Proponent.[3]

ANALYSIS

The Proposal May Be Excluded Under Rule 14a-8(b) And Rule 14a-8(f)(1) Because The Proponent Failed To Establish The Requisite Eligibility To Submit The Proposal.

The Company may exclude the Proposal under Rule 14a-8(f)(1) because the Proponent failed to substantiate his eligibility to submit the Proposal in compliance with Rule 14a-8. Rule 14a-8(b)(1) provides, in part, that "[i]n order to be eligible to submit a proposal, 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 meeting for at least one year by the date the shareholder submit[s] the proposal." Staff Legal Bulletin No. 14 (July 13, 2001) ("SLB 14") specifies that when the shareholder is not the registered holder, the shareholder "is responsible for proving his or her eligibility to submit a proposal to the company," which the shareholder may do by one of the two ways provided in Rule 14a-8(b)(2). *See* Section C.1.c., SLB 14. Rule 14a-8(f)(1) permits a company to exclude a shareholder proposal from the company's proxy materials if the proponent fails to comply with the eligibility or procedural

[3] Staff Legal Bulletin No. 14 states that "[t]he company does not need to provide the shareholder with a notice of defect(s) if the defect(s) cannot be remedied." When more than 14 days had passed after the Proponent received the Deficiency Notice identifying the absence of his proof of ownership, the Proponent could not cure the deficiency. Because the Proponent failed to provide proof of ownership regarding the Original Proposal in a timely manner, the Proponent was not permitted to submit the Revised Proposal, and the Company was not obligated to provide the Proponent with an additional notice of defect regarding the Revised Proposal. Instead, the Company was only required to "submit its reasons regarding exclusion of the proposal to [the Staff] and the shareholder." *Id.* The Company is providing its reasons to the Staff by this no-action request with a copy to the Proponent.

requirements under Rule 14a-8, including failing to provide the beneficial ownership information required under Rule 14a-8(b), provided that the company has timely notified the proponent of the deficiency, and the proponent has failed to correct such deficiency within 14 calendar days of receipt of such notice.

The Staff has consistently concurred in the exclusion of proposals when proponents have failed, following a timely and proper request by a company, to timely furnish evidence of eligibility to submit the shareholder proposal pursuant to Rule 14a-8(b). For example, in *FedEx Corp.* (avail. June 5, 2019), the proponent submitted a proposal without any accompanying proof of ownership and did not provide any documentary support until 15 days following receipt of the company's deficiency notice. Despite being just one day late, the Staff concurred with the exclusion of the proposal pursuant to Rule 14a-8(b) and Rule 14a-8(f)(1). *See also Time Warner Inc.* (avail. Mar. 13, 2018); *ITC Holdings Corp.* (avail. Feb. 9, 2016); *Prudential Financial, Inc.* (avail. Dec. 28, 2015); *Mondelēz International, Inc.* (avail. Feb. 27, 2015) (each concurring with the exclusion of a shareholder proposal where the proponent supplied proof of ownership 18, 35, 23, and 16 days, respectively, after receiving the company's timely deficiency notice). This was the outcome even if the evidence ultimately furnished otherwise satisfied Rule 14a-8(b). Here, the Proponent submitted a proposal without any accompanying proof of ownership, and did not provide any documentary support until 43 days following receipt of the Company's Deficiency Notice. Moreover, as discussed more thoroughly below, the Proponent never ultimately furnished *sufficient* proof of ownership. As such, the Company may exclude the Proposal pursuant to Rule 14a-8(f)(1) and Rule 14a-8(b).

Additionally, the Proponent's submission of the Revised Proposal did not relieve the Proponent of the obligation to provide adequate proof of ownership by the 14-Day Deadline. SLB 14F states that where a shareholder submits a revised proposal, the "shareholder must prove ownership as of the date the original proposal is submitted." The Staff has consistently concurred (including with respect to the same Proponent) that submitting a revised proposal will not change a proponent's obligation to provide, within 14 days of receipt of a company's proper request for such information, proof of ownership as of the date of submission of the original proposal. In *Dominion Energy, Inc.* (avail. Dec 17, 2018), the same Proponent tried to resubmit a "virtually identical" proposal after acknowledging that he failed to meet the 14-day deadline to provide proof of ownership for the original proposal. The Staff concurred that the company could exclude the Proponent's proposal under Rule 14a-8(f), noting that "the Proponent appears to have failed to supply, within 14 days of receipt of the [c]ompany's request, documentary support sufficiently evidencing that he satisfied the minimum ownership requirement for the one-year period as required by rule 14a-8(b)." *Id*. The Staff, citing to SLB 14F, further stated that "a shareholder must prove ownership as of the date a proposal is first submitted and… a proponent who does not adequately prove ownership in connection with that proposal is not permitted to submit another proposal for the same meeting at a later date." *Id. See also Sprint Corp.* (avail.

Dec. 13, 2019) (concurring with the exclusion of a proposal under Rule 14a-8(b) and Rule 14a-8(f) where the proponent failed to provide timely proof of ownership for a proposal and "attempted to fix this failure by resubmitting [a revised proposal]… to restart the timeline" 29 days after receipt of the company's deficiency notice); *Ameren Corp*. (avail. Jan. 12, 2017) (concurring with the exclusion of a proposal where the proponent resubmitted a revised proposal after failing to provide sufficient proof of ownership in response to a company's timely notice of the procedural deficiency). In *Dominion Energy*, the Proponent's revised proposal contained dozens of differences in wording, whereas here, the Proponent resubmitted a near-identical proposal in an attempt to restart his timeline, despite the Staff having already rejected this exact tactic by the Proponent fewer than two years earlier. Moreover, the Proponent conceded in his August 4, 2020 letter that he "missed the window (14 days I remember) to submit proof of share ownership," and makes clear his mistaken belief that by resubmitting a resolution (*i.e.*, the Revised Proposal), he had somehow restarted the clock for purposes of providing proof of ownership in a way that would "square all this away." However, as in the precedent cited above, the Proponent's submission of the Revised Proposal does not restart the clock on the original 14-Day Deadline, nor does it cure the Proponent's failure to provide proof of ownership within that required timeframe.

Furthermore, the Proponent only ever submitted proof of ownership from the Broker, Fiduciary Trust Company International, which is not on the list of DTC participants that is available on the DTC website at http://www.dtcc.com/~/media/Files/Downloads/client-center/DTC/alpha.ashx. The Staff has clarified that a shareholder's proof of ownership letter must come from the "record" holder of the Proponent's shares, and that only DTC participants are viewed as record holders of securities that are deposited at DTC. *See* SLB 14F. SLB 14F further provides:

> If the DTC participant knows the shareholder's broker or bank's holdings, but does not know the shareholder's holdings, a shareholder could satisfy Rule 14a-8(b)(2)(i) by obtaining and submitting two proof of ownership statements verifying that, at the time the proposal was submitted, the required amount of securities were continuously held for at least one year – one from the shareholder's broker or bank confirming the shareholder's ownership, and the other from the DTC participant confirming the broker or bank's ownership.

As discussed above and consistent with this guidance, the Company satisfied its obligation under Rule 14a-8 to timely notify the Proponent of this deficiency by timely providing the Proponent with the Deficiency Notice, clearly identifying the deficiency and specifically setting forth the requirement that the Proponent include a written statement from the record holder of the shares. *See* Exhibit B. The Deficiency Notice further explained that if the Proponent's "broker or bank is not a DTC participant" and the "DTC participant that holds

[such] 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 must submit two written statements: "(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." *See id.* The Deficiency Notice also included copies of both Rule 14a-8 and SLB 14F. The Proponent never provided any affirmative verification at all from the DTC Participant. Thus, even if the Broker's statement had been submitted within the requisite timeframe, the deficiency identified in the Deficiency Notice still would not have been cured as the Proponent failed to submit the requisite proof of ownership from the DTC Participant.

The Staff has consistently concurred with the exclusion of shareholder proposals based on a proponent's failure to provide proof of ownership from a DTC participant within the required 14-day time period. For example, in *Chubb Limited* (avail. Feb. 13, 2018), the same Proponent only submitted proof of ownership from the same Broker and failed to submit proof of ownership from a DTC participant following a timely and proper request by the company to furnish such evidence in a timely manner. The Staff concurred with the exclusion of the proposal under Rule 14a-8(b) and Rule 14a-8(f), noting "that the Proponent appears to have failed to supply, within 14 days of receipt of the [c]ompany's request, documentary support from a DTC participant sufficiently evidencing that he satisfied the minimum ownership requirement for the one-year period as required by rule 14a-8(b)." The Staff also concurred with the exclusion of a proposal in *General Motors Co.* (avail. Mar. 27, 2020), where proponents failed to provide proof of ownership from a DTC participant despite the company's timely deficiency notice requesting such proof be provided. Proponents responded within the required 14-day time period but only provided a letter from an intermediary stating that the proponents' account was held with a particular DTC participant, and never provided proof of ownership from that particular, or any other, DTC participant verifying the holdings of the intermediary. The Staff made the same determination in *Chevron Corp.* (avail. Mar. 6, 2020), where the proponent only submitted proof of ownership from the broker within the 14-day time period after receiving a timely deficiency notice. There, although the proponent ultimately submitted proof of ownership from a DTC participant, the Staff still concurred with the exclusion of the proposal because it was received 22 days after the company delivered its deficiency notice. *See also FedEx Corp.* (avail. Jun. 28, 2018) (concurring with the exclusion of a shareholder proposal under Rule 14a-8(b) and Rule 14a-8(f) where proponents failed to timely submit sufficient proof of ownership from a DTC participant); *AT&T Inc.* (avail. Dec. 2, 2014) (concurring with the exclusion of a shareholder proposal under Rule 14a-8(b) and Rule 14a-8(f) where the proponent failed to provide, in response to two deficiency notices, proof of continuous ownership for the requisite period from any DTC participant); *Johnson & Johnson* (avail. Feb. 23, 2012, *recon. granted* Mar. 2, 2012) (concurring with the exclusion of a shareholder proposal under Rule 14a-8(b) and Rule 14a-8(f) where the proponent failed to provide, in response to a timely deficiency notice, proof of continuous ownership for the requisite period from any DTC

participant). Thus, as with the precedent cited above, the Proponent failed to substantiate his eligibility to submit the Original Proposal by the 14-Day Deadline as required under Rule 14a-8.

Further, it is well established that where a company provides proper notice of a procedural defect to a proponent and the proponent's response fails to cure the defect, the company is not required to provide any further opportunities for the proponent to cure. In fact, Section C.6. of SLB 14 states that a company may exclude a proposal pursuant to Rule 14a-8(b) and Rule 14a-8(f)(1) if "the shareholder timely responds but does not cure the eligibility or procedural defect(s)." For example, in *PDL BioPharma, Inc.* (avail. Mar. 1, 2019), the proponent submitted a proposal without any accompanying proof of ownership, and the broker letter sent in response to the company's timely deficiency notice failed to establish that the proponent owned the requisite minimum number of shares. The Staff concurred with exclusion under Rule 14a-8(f) even though the company did not send a second deficiency notice to the proponent, who still had several days remaining in the 14-day cure period. *See also American Airlines Group, Inc.* (avail. Feb. 20, 2015); *Coca-Cola Co. (James McRitchie and Myra Young)* (avail. Dec. 16, 2014); *Union Pacific Corp.* (avail. Jan. 29, 2010) (each concurring with the exclusion of a shareholder proposal where the proponent(s) submitted ownership proof which failed to satisfy the ownership requirements of Rule 14a-8(b) within seven, nine, and three days, respectively, following receipt of the company's timely deficiency notice, and the company did not send a second deficiency notice). Likewise, upon receipt of the Broker letter on August 6, 2020, 29 days after the 14-Day Deadline and after the Company had already timely sent the Deficiency Notice, the Company was under no obligation to provide the Proponent with another deficiency notice or any additional time to cure the deficiency that remained.

Accordingly, we ask that the Staff concur that the Company may exclude the Proposal under Rule 14a-8(b) and Rule 14a-8(f)(1).

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 2021 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. If we can be of any further assistance in this matter, please do not hesitate to call me at (202) 955-8287, or James Spira, Associate General Counsel, at (619) 696-4373.

Sincerely,

Elizabeth A. Ising

Enclosures

cc: Jennifer F. Jett, Vice President of Governance and Corporate Secretary, Sempra Energy
James Spira, Associate General Counsel, Sempra Energy
Lisa Abbot, Senior Counsel, Corporate and Securities, Sempra Energy
Stewart Taggart

EXHIBIT A

Stewart Taggart
***

Corporate Secretary,
Sempra Energy
488 8th Ave.
San Diego, CA 92101
Phone: (619) 696-2000

June 19, 2020

Dear Secretary

Enclosed please find a resolution below to be submitted to a vote by shareholders at the company's 2021 Annual General Meeting.

The resolution seeks elaboration on the competitive longevity of the company's Liquid Natural Gas (LNG) investments given the *Paris Accords'* objective of attaining 'net zero' global emissions post 2050. Such elaboration is critical for investors to make long-term fair value assessments for the company's shares if investors consider carbon emissions relevant to corporate valuation.

An expanding number of credible, independent parties routinely quantify 'social costs' of carbon. There's also an expanding history of traded market costs such as those from the *European Union Emissions Trading Scheme*, the *California Cap and Trade* system, the *US Regional Greenhouse Gas Initiative* and others.

What's missing is detailed discussion from companies in the Liquid Natural Gas industry how these credible and rising carbon price estimates generate substitution risk from renewable energy led by falling wind and solar prices, government mandated emissions reductions and/or civil society divestment pressure.

At the *Federal Energy Regulatory Commission (FERC),* commissioner Richard Glick and commissioner Cheryl LaFleur (during her time at *FERC*) both have stressed the merits of broadening *FERC's* focus from *Scope One* emissions to *Scopes Two* and *Three* in evaluating LNG projects. To this investor, it looks like writing on the wall.

Central bankers, multilateral institutions and ratings agencies also care. The *Bank of France* has created the *Network for Greening the Financial System.* The *International Monetary Fund* advises investors to take heed of climate change risks in investment decisions. *Moodys* warns climate change threatens fossil fuel producer creditworthiness.

If central bankers, *FERC,* the *IMF* and *Moodys* see issues, shareholders would be dilatory not see a few, too. Such shared interest between monetary and regulatory bodies as well as individual and institutional investors (like *Blackrock*) demonstrates resolutions like this are *not* efforts at 'micro-management' or frivolous interference.

They represent legitimate, existential longevity concerns requiring answers *in detail* and *with numbers.*

In sum, I seek more information about declining-value and obsolescence risks to the company's sunk and/ or proposed LNG investments as markets inevitably shift away from the company's LNG product over time.

I will almost certainly present a revised version later in the year depending upon events. Between now and then, however, I'd love to hear your views if you're willing to engage.

I have already contacted my share custodian. I will be confirming my shareholding in coming days date-marked after your *Fedex* receipt of this letter and the resolution. The *only* way to reach me is via email.

Sincerely,

Stewart Taggart

WHEREAS *Sempra Energy* plans to deploy 45 million tonnes year of Liquid Natural Gas capacity in the United States by 2025, making *Sempra* America's second-largest Liquid Natural Gas exporter.

But given post-mid-century *Paris Accord* global net zero carbon emission targets, *Sempra* could face technology transition and shareholder divestment risk on this capacity. Investors need to know more to value *Sempra* shares.

Sempra's Texas Liquid Natural Gas project is scheduled to come on line in 2026, just 24 years before post 2050 net zero targets under the Paris Accord which *Sempra* has yet to publicly support.

As early as 2030, carbon-adjusted wind and solar are likely to become cheaper than Liquid Natural Gas, according to *Bloomberg New Energy Finance* and others..

Meanwhile, *Sempra* subsidiary *SoCal Gas* is a member of the *Hydrogen Council* and *SoCal Gas* plans to produce hydrogen from natural gas. With modification, Liquid Natural Gas infrastructure can carry hydrogen. Some first demonstration hydrogen shipments from Australia to Japan are expected in time for the 2021 Tokyo "Hydrogen" Olympics.

This suggests *Sempra* could (if it chose) invest in natural gas-derived hydrogen production pending falling cost solar and wind-derived hydrogen as a long term replacement for its dirtier (on a Scope Three emissions basis) Liquid Natural Gas trade.

Sempra subsidiary *SoCal Gas* estimates the *Hydrogen Council's* vision of hydrogen development could avoid 1 billion tonnes, or 13% of global emissions by creating a $2.5 trillion market employing 30 million people by midcentury.

Learning more from *Sempra* enables shareholders to refine net present value expectations for Sempra shares given future market shifts away from sunset Liquid Natural Gas and toward potentially more lucrative and long lasting sunrise markets such as green hydrogen produced from wind and solar.

RESOLVED: *Sempra* shall confirm whether or not it supports the goals of the *Paris Climate Accord.*

If yes, *Sempra* shall outline how it intends to meet the objectives of the accord given *Sempra's* existing investments in Liquid Natural Gas. It should specifically discuss the potential for hydrogen production from renewable energy as a future use for legacy Liquid Natural Gas infrastructure at risk in future years from emissions constraints, carbon pricing and technological dislocation from (among others) wind and solar.

If no, *Sempra* shall discuss how it plans to handle long-term Environmental-Social-Governance divestment risk (should *Sempra* believe it exists) from continued exposure to the Liquid Natural Gas trade given LNG's Scope Three emissions of around .66 tonne per megawatt-hour equivalent (acccording to the US *Department of Energy*, *Bloomberg New Energy,* the *Union of Concerned Scientists,* and others.

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ACTUAL DELIVERY
Mon 6/22/2020 3:07 pm

Travel History

Local Scan Time

Monday , 6/22/2020

3:07 pm	SAN DIEGO, CA	Delivered

EXHIBIT B

Lisa H. Abbot
Sr. Counsel
488 8th Avenue
San Diego, CA 92101

Tel: 619-696-8523
LAbbot@sempra.com

June 24, 2020

VIA OVERNIGHT MAIL AND EMAIL
Stewart Taggart
***

Dear Mr. Taggart:

I am writing on behalf of Sempra Energy (the "Company"), which received on June 22, 2020, your letter giving notice of your intent to present a shareholder proposal at the Company's 2021 Annual Shareholders Meeting (the "Proposal"). We assume from your letter that you submitted the Proposal pursuant to Securities and Exchange Commission ("SEC") Rule 14a-8 in order to include the Proposal in the proxy statement for the Company's 2021 Annual Shareholders Meeting, but it is unclear from the language in your letter. The Company respectfully requests that you confirm that you submitted the Proposal pursuant to Rule 14a-8.

If you submitted the Proposal pursuant to Rule 14a-8, please note that the Proposal contains certain procedural deficiencies, which SEC regulations require us to bring to your attention. 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 you are the record owner of sufficient shares to satisfy this requirement. In addition, to date we have not received proof that you have satisfied Rule 14a-8's ownership requirements as of the date that the Proposal was submitted to the Company.

To remedy this defect, you must submit sufficient proof of your continuous ownership of the required number or amount of Company shares for the one-year period preceding and including June 18, 2020, 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 your shares (usually a broker or a bank) verifying that you continuously held the required number or amount of Company shares for the one-year period preceding and including June 18, 2020; or

(2) if you have 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 your

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 you continuously held the required number or amount of Company shares for the one-year period.

If you intend to demonstrate ownership by submitting a written statement from the "record" holder of your 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 your broker or bank is a DTC participant by asking your 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 your broker or bank is a DTC participant, then you need to submit a written statement from your broker or bank verifying that you continuously held the required number or amount of Company shares for the one-year period preceding and including June 18, 2020.

(2) If your broker or bank is not a DTC participant, then you need to submit proof of ownership from the DTC participant through which the shares are held verifying that you continuously held the required number or amount of Company shares for the one-year period preceding and including June 18, 2020. You should be able to find out the identity of the DTC participant by asking your broker or bank. If your broker is an introducing broker, you may also be able to learn the identity and telephone number of the DTC participant through your account statements, because the clearing broker identified on your account statements will generally be a DTC participant. If the DTC participant that holds your shares is not able to confirm your individual holdings but is able to confirm the holdings of your broker or bank, then you need 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 June 18, 2020, the required number or amount of Company shares were continuously held: (i) one from your broker or bank confirming your ownership, and (ii) the other from the DTC participant confirming the broker or bank's ownership.

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. In addition, a shareholder 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. Your correspondence did not include such a statement. To remedy this defect, you must submit a written statement that you intend to continue holding the required number or amount of Company shares through the date of the Company's 2021 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 LAbbot@sempra.com. Please note that we reserve the right to send a subsequent letter regarding any additional procedural deficiencies that we identify before the deadline for our response, as set forth in Rule 14a-8.

If you have any questions with respect to the foregoing, please contact me at (619) 696-8523. For your reference, I enclose a copy of Rule 14a-8 and Staff Legal Bulletin No. 14F.

Sincerely,

Lisa Abbot
Senior Counsel – Corporate and Securities

Enclosures

Rule 14a-8 – Shareholder Proposals

This section addresses when a company must include a shareholder's proposal in its proxy statement and identify the proposal in its form of proxy when the company holds an annual or special meeting of shareholders. In summary, in order to have your shareholder proposal included on a company's proxy card, and included along with any supporting statement in its proxy statement, you must be eligible and follow certain procedures. Under a few specific circumstances, the company is permitted to exclude your proposal, but only after submitting its reasons to the Commission. We structured this section in a question-and-answer format so that it is easier to understand. The references to ''you'' are to a shareholder seeking to submit the proposal.

(a) *Question 1:* What is a proposal? A shareholder proposal is your recommendation or requirement that the company and/or its board of directors take action, which you intend to present at a meeting of the company's shareholders. Your proposal should state as clearly as possible the course of action that you believe the company should follow. If your proposal is placed on the company's proxy card, the company must also provide in the form of proxy means for shareholders to specify by boxes a choice between approval or disapproval, or abstention. Unless otherwise indicated, the word "proposal" as used in this section refers both to your proposal, and to your corresponding statement in support of your proposal (if any).

(b) *Question 2:* Who is eligible to submit a proposal, and how do I demonstrate to the company that I am eligible?

> (1) In order to be eligible to submit a proposal, you 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 meeting for at least one year by the date you submit the proposal. You must continue to hold those securities through the date of the meeting.
>
> (2) If you are the registered holder of your securities, which means that your name appears in the company's records as a shareholder, the company can verify your eligibility on its own, although you will still have to provide the company with a written statement that you intend to continue to hold the securities through the date of the meeting of shareholders. However, if like many shareholders you are not a registered holder, the company likely does not know that you are a shareholder, or how many shares you own. In this case, at the time you submit your proposal, you must prove your eligibility to the company in one of two ways:
>
>> (i) The first way is to submit to the company a written statement from the "record" holder of your securities (usually a broker or bank) verifying that, at the time you submitted your proposal, you continuously held the securities for at least one year. You must also include your own written statement that you intend to continue to hold the securities through the date of the meeting of shareholders; or
>>
>> (ii) The second way to prove ownership applies only if you have filed a Schedule 13D (§240.13d–101), Schedule 13G (§240.13d–102), Form 3 (§249.103 of this chapter), Form 4 (§249.104 of this chapter) and/or Form 5 (§249.105 of this chapter), or amendments to those documents or updated forms, reflecting your ownership of the shares as of or before the date on which the one-year eligibility period begins. If you have filed one of these documents with the SEC, you may demonstrate your eligibility by submitting to the company:
>>
>>> (A) A copy of the schedule and/or form, and any subsequent amendments reporting a change in your ownership level;

(B) Your written statement that you continuously held the required number of shares for the one-year period as of the date of the statement; and

(C) Your written statement that you intend to continue ownership of the shares through the date of the company's annual or special meeting.

(c) *Question 3:* How many proposals may I submit? Each shareholder may submit no more than one proposal to a company for a particular shareholders' meeting.

(d) *Question 4:* How long can my proposal be? The proposal, including any accompanying supporting statement, may not exceed 500 words.

(e) *Question 5:* What is the deadline for submitting a proposal?

(1) If you are submitting your proposal for the company's annual meeting, you can in most cases find the deadline in last year's proxy statement. However, if the company did not hold an annual meeting last year, or has changed the date of its meeting for this year more than 30 days from last year's meeting, you can usually find the deadline in one of the company's quarterly reports on Form 10–Q (§249.308a of this chapter), or in shareholder reports of investment companies under §270.30d–1 of this chapter of the Investment Company Act of 1940. In order to avoid controversy, shareholders should submit their proposals by means, including electronic means, that permit them to prove the date of delivery.

(2) The deadline is calculated in the following manner if the proposal is submitted for a regularly scheduled annual meeting. The proposal must be received at the company's principal executive offices not less than 120 calendar days before the date of the company's proxy statement released to shareholders in connection with the previous year's annual meeting. However, if the company did not hold an annual meeting the previous year, or if the date of this year's annual meeting has been changed by more than 30 days from the date of the previous year's meeting, then the deadline is a reasonable time before the company begins to print and send its proxy materials.

(3) If you are submitting your proposal for a meeting of shareholders other than a regularly scheduled annual meeting, the deadline is a reasonable time before the company begins to print and send its proxy materials.

(f) *Question 6:* What if I fail to follow one of the eligibility or procedural requirements explained in answers to Questions 1 through 4 of this section?

(1) The company may exclude your proposal, but only after it has notified you of the problem, and you have failed adequately to correct it. Within 14 calendar days of receiving your proposal, the company must notify you in writing of any procedural or eligibility deficiencies, as well as of the time frame for your response. Your response must be postmarked, or transmitted electronically, no later than 14 days from the date you received the company's notification. A company need not provide you such notice of a deficiency if the deficiency cannot be remedied, such as if you fail to submit a proposal by the company's properly determined deadline. If the company intends to exclude the proposal, it will later have to make a submission under §240.14a–8 and provide you with a copy under Question 10 below, §240.14a–8(j).

(2) If you fail in your promise to hold the required number of securities through the date of the meeting of shareholders, then the company will be permitted to exclude all of your proposals from its proxy materials for any meeting held in the following two calendar years.

(g) *Question 7:* Who has the burden of persuading the Commission or its staff that my proposal can be excluded? Except as otherwise noted, the burden is on the company to demonstrate that it is entitled to exclude a proposal.

(h) *Question 8:* Must I appear personally at the shareholders' meeting to present the proposal?

(1) Either you, or your representative who is qualified under state law to present the proposal on your behalf, must attend the meeting to present the proposal. Whether you attend the meeting yourself or send a qualified representative to the meeting in your place, you should make sure that you, or your representative, follow the proper state law procedures for attending the meeting and/or presenting your proposal.

(2) If the company holds its shareholder meeting in whole or in part via electronic media, and the company permits you or your representative to present your proposal via such media, then you may appear through electronic media rather than traveling to the meeting to appear in person.

(3) If you or your qualified representative fail to appear and present the proposal, without good cause, the company will be permitted to exclude all of your proposals from its proxy materials for any meetings held in the following two calendar years.

(i) *Question 9:* If I have complied with the procedural requirements, on what other bases may a company rely to exclude my proposal?

(1) *Improper under state law:* If the proposal is not a proper subject for action by shareholders under the laws of the jurisdiction of the company's organization;

Note to paragraph (i)(1): Depending on the subject matter, some proposals are not considered proper under state law if they would be binding on the company if approved by shareholders. In our experience, most proposals that are cast as recommendations or requests that the board of directors take specified action are proper under state law. Accordingly, we will assume that a proposal drafted as a recommendation or suggestion is proper unless the company demonstrates otherwise.

(2) *Violation of law:* If the proposal would, if implemented, cause the company to violate any state, federal, or foreign law to which it is subject;

Note to paragraph (i)(2): We will not apply this basis for exclusion to permit exclusion of a proposal on grounds that it would violate foreign law if compliance with the foreign law would result in a violation of any state or federal law.

(3) *Violation of proxy rules:* If the proposal or supporting statement is contrary to any of the Commission's proxy rules, including §240.14a-9, which prohibits materially false or misleading statements in proxy soliciting materials;

(4) *Personal grievance; special interest:* If the proposal relates to the redress of a personal claim or grievance against the company or any other person, or if it is designed to result in a benefit to you, or to further a personal interest, which is not shared by the other shareholders at large;

(5) *Relevance:* If the proposal relates to operations which account for less than 5 percent of the company's total assets at the end of its most recent fiscal year, and for less than 5 percent of its net earnings and gross sales for its most recent fiscal year, and is not otherwise significantly related to the company's business;

(6) *Absence of power/authority:* If the company would lack the power or authority to implement the proposal;

(7) *Management functions:* If the proposal deals with a matter relating to the company's ordinary business operations;

(8) *Director elections:* If the proposal:

(i) Would disqualify a nominee who is standing for election;

(ii) Would remove a director from office before his or her term expired;

(iii) Questions the competence, business judgment, or character of one or more nominees or directors;

(iv) Seeks to include a specific individual in the company's proxy materials for election to the board of directors; or

(v) Otherwise could affect the outcome of the upcoming election of directors.

(9) *Conflicts with company's proposal:* If the proposal directly conflicts with one of the company's own proposals to be submitted to shareholders at the same meeting;

Note to paragraph (i)(9): A company's submission to the Commission under this section should specify the points of conflict with the company's proposal.

(10) *Substantially implemented:* If the company has already substantially implemented the proposal;

Note to paragraph (i)(10): A company may exclude a shareholder proposal that would provide an advisory vote or seek future advisory votes to approve the compensation of executives as disclosed pursuant to Item 402 of Regulation S–K (§229.402 of this chapter) or any successor to Item 402 (a “say-on-pay vote”) or that relates to the frequency of say-on-pay votes, provided that in the most recent shareholder vote required by §240.14a–21(b) of this chapter a single year (i.e., one, two, or three years) received approval of a majority of votes cast on the matter and the company has adopted a policy on the frequency of say-on-pay votes that is consistent with the choice of the majority of votes cast in the most recent shareholder vote required by §240.14a–21(b) of this chapter.

(11) *Duplication:* If the proposal substantially duplicates another proposal previously submitted to the company by another proponent that will be included in the company's proxy materials for the same meeting;

(12) *Resubmissions:* If the proposal deals with substantially the same subject matter as another proposal or proposals that has or have been previously included in the company's proxy materials within the preceding 5 calendar years, a company may exclude it from its proxy materials for any meeting held within 3 calendar years of the last time it was included if the proposal received:

(i) Less than 3% of the vote if proposed once within the preceding 5 calendar years;

(ii) Less than 6% of the vote on its last submission to shareholders if proposed twice previously within the preceding 5 calendar years; or

(iii) Less than 10% of the vote on its last submission to shareholders if proposed three times or more previously within the preceding 5 calendar years; and

(13) *Specific amount of dividends:* If the proposal relates to specific amounts of cash or stock dividends.

(j) *Question 10:* What procedures must the company follow if it intends to exclude my proposal?

(1) If the company intends to exclude a proposal from its proxy materials, it must file its reasons with the Commission no later than 80 calendar days before it files its definitive proxy statement and form of proxy with the Commission. The company must simultaneously provide you with a copy of its submission. The Commission staff may permit the company to make its submission later than 80 days before the company files its definitive proxy statement and form of proxy, if the company demonstrates good cause for missing the deadline.

(2) The company must file six paper copies of the following:

(i) The proposal;

(ii) An explanation of why the company believes that it may exclude the proposal, which should, if possible, refer to the most recent applicable authority, such as prior Division letters issued under the rule; and

(iii) A supporting opinion of counsel when such reasons are based on matters of state or foreign law.

(k) *Question 11:* May I submit my own statement to the Commission responding to the company's arguments? Yes, you may submit a response, but it is not required. You should try to submit any response to us, with a copy to the company, as soon as possible after the company makes its submission. This way, the Commission staff will have time to consider fully your submission before it issues its response. You should submit six paper copies of your response.

(l) *Question 12:* If the company includes my shareholder proposal in its proxy materials, what information about me must it include along with the proposal itself?

(1) The company's proxy statement must include your name and address, as well as the number of the company's voting securities that you hold. However, instead of providing that information, the company may instead include a statement that it will provide the information to shareholders promptly upon receiving an oral or written request.

(2) The company is not responsible for the contents of your proposal or supporting statement.

(m) *Question 13:* What can I do if the company includes in its proxy statement reasons why it believes shareholders should not vote in favor of my proposal, and I disagree with some of its statements?

(1) The company may elect to include in its proxy statement reasons why it believes shareholders should vote against your proposal. The company is allowed to make arguments reflecting its own point of view, just as you may express your own point of view in your proposal's supporting statement.

(2) However, if you believe that the company's opposition to your proposal contains materially false or misleading statements that may violate our anti-fraud rule, §240.14a–9, you should promptly send to the Commission staff and the company a letter explaining the reasons for your view, along with a copy of the company's statements opposing your proposal. To the extent possible, your letter should include specific factual information demonstrating the inaccuracy of the company's claims. Time permitting, you may wish to try to work out your differences with the company by yourself before contacting the Commission staff.

(3) We require the company to send you a copy of its statements opposing your proposal before it sends its proxy materials, so that you may bring to our attention any materially false or misleading statements, under the following timeframes:

(i) If our no-action response requires that you make revisions to your proposal or supporting statement as a condition to requiring the company to include it in its proxy materials, then the company must provide you with a copy of its opposition statements no later than 5 calendar days after the company receives a copy of your revised proposal; or

(ii) In all other cases, the company must provide you with a copy of its opposition statements no later than 30 calendar days before its files definitive copies of its proxy statement and form of proxy under §240.14a–6.

U.S. Securities and Exchange Commission

Division of Corporation Finance
Securities and Exchange Commission

Shareholder Proposals

Staff Legal Bulletin No. 14F (CF)

Action: Publication of CF Staff Legal Bulletin

Date: October 18, 2011

Summary: This staff legal bulletin provides information for companies and shareholders regarding Rule 14a-8 under the Securities Exchange Act of 1934.

Supplementary Information: The statements in this bulletin represent the views of the Division of Corporation Finance (the "Division"). This bulletin is not a rule, regulation or statement of the Securities and Exchange Commission (the "Commission"). Further, the Commission has neither approved nor disapproved its content.

Contacts: For further information, please contact the Division's Office of Chief Counsel by calling (202) 551-3500 or by submitting a web-based request form at https://tts.sec.gov/cgi-bin/corp_fin_interpretive.

A. The purpose of this bulletin

This bulletin is part of a continuing effort by the Division to provide guidance on important issues arising under Exchange Act Rule 14a-8. Specifically, this bulletin contains information regarding:

- Brokers and banks that constitute "record" holders under Rule 14a-8 (b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8;
- Common errors shareholders can avoid when submitting proof of ownership to companies;
- The submission of revised proposals;
- Procedures for withdrawing no-action requests regarding proposals submitted by multiple proponents; and
- The Division's new process for transmitting Rule 14a-8 no-action responses by email.

You can find additional guidance regarding Rule 14a-8 in the following bulletins that are available on the Commission's website: SLB No. 14, SLB No. 14A, SLB No. 14B, SLB No. 14C, SLB No. 14D and SLB No. 14E.

B. The types of brokers and banks that constitute "record" holders under Rule 14a-8(b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8

1. Eligibility to submit a proposal under Rule 14a-8

To be eligible to submit a shareholder proposal, 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 shareholder meeting for at least one year as of the date the shareholder submits the proposal. The shareholder must also continue to hold the required amount of securities through the date of the meeting and must provide the company with a written statement of intent to do so.[1]

The steps that a shareholder must take to verify his or her eligibility to submit a proposal depend on how the shareholder owns the securities. There are two types of security holders in the U.S.: registered owners and beneficial owners.[2] Registered owners have a direct relationship with the issuer because their ownership of shares is listed on the records maintained by the issuer or its transfer agent. If a shareholder is a registered owner, the company can independently confirm that the shareholder's holdings satisfy Rule 14a-8(b)'s eligibility requirement.

The vast majority of investors in shares issued by U.S. companies, however, are beneficial owners, which means that they hold their securities in book-entry form through a securities intermediary, such as a broker or a bank. Beneficial owners are sometimes referred to as "street name" holders. Rule 14a-8(b)(2)(i) provides that a beneficial owner can provide proof of ownership to support his or her eligibility to submit a proposal by submitting a written statement "from the 'record' holder of [the] securities (usually a broker or bank)," verifying that, at the time the proposal was submitted, the shareholder held the required amount of securities continuously for at least one year.[3]

2. The role of the Depository Trust Company

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 acting as a securities depository. Such brokers and banks are often referred to as "participants" in DTC.[4] The names of these DTC participants, however, do not appear as the registered owners of the securities deposited with DTC on the list of shareholders maintained by the company or, more typically, by its transfer agent. Rather, DTC's nominee, Cede & Co., appears on the shareholder list as the sole registered owner of securities deposited with DTC by the DTC participants. A company can request from DTC a "securities position listing" as of a specified date, which identifies the DTC participants having a position in the company's securities and the number of securities held by each DTC participant on that date.[5]

3. Brokers and banks that constitute "record" holders under Rule 14a-8(b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8

In *The Hain Celestial Group, Inc.* (Oct. 1, 2008), we took the position that an introducing broker could be considered a "record" holder for purposes of

Rule 14a-8(b)(2)(i). An introducing broker is a broker that engages in sales and other activities involving customer contact, such as opening customer accounts and accepting customer orders, but is not permitted to maintain custody of customer funds and securities.[6] Instead, an introducing broker engages another broker, known as a "clearing broker," to hold custody of client funds and securities, to clear and execute customer trades, and to handle other functions such as issuing confirmations of customer trades and customer account statements. Clearing brokers generally are DTC participants; introducing brokers generally are not. As introducing brokers generally are not DTC participants, and therefore typically do not appear on DTC's securities position listing, *Hain Celestial* has required companies to accept proof of ownership letters from brokers in cases where, unlike the positions of registered owners and brokers and banks that are DTC participants, the company is unable to verify the positions against its own or its transfer agent's records or against DTC's securities position listing.

In light of questions we have received following two recent court cases relating to proof of ownership under Rule 14a-8[7] and in light of the Commission's discussion of registered and beneficial owners in the Proxy Mechanics Concept Release, we have reconsidered our views as to what types of brokers and banks should be considered "record" holders under Rule 14a-8(b)(2)(i). Because of the transparency of DTC participants' positions in a company's securities, we will take the view going forward that, for Rule 14a-8(b)(2)(i) purposes, only DTC participants should be viewed as "record" holders of securities that are deposited at DTC. As a result, we will no longer follow *Hain Celestial*.

We believe that taking this approach as to who constitutes a "record" holder for purposes of Rule 14a-8(b)(2)(i) will provide greater certainty to beneficial owners and companies. We also note that this approach is consistent with Exchange Act Rule 12g5-1 and a 1988 staff no-action letter addressing that rule,[8] under which brokers and banks that are DTC participants are considered to be the record holders of securities on deposit with DTC when calculating the number of record holders for purposes of Sections 12(g) and 15(d) of the Exchange Act.

Companies have occasionally expressed the view that, because DTC's nominee, Cede & Co., appears on the shareholder list as the sole registered owner of securities deposited with DTC by the DTC participants, only DTC or Cede & Co. should be viewed as the "record" holder of the securities held on deposit at DTC for purposes of Rule 14a-8(b)(2)(i). We have never interpreted the rule to require a shareholder to obtain a proof of ownership letter from DTC or Cede & Co., and nothing in this guidance should be construed as changing that view.

How can a shareholder determine whether his or her broker or bank is a DTC participant?

Shareholders and companies can confirm whether a particular broker or bank is a DTC participant by checking DTC's participant list, which is currently available on the Internet at http://www.dtcc.com/~/media/Files/Downloads/client-center/DTC/alpha.ashx.

What if a shareholder's broker or bank is not on DTC's participant list?

The shareholder will need to obtain proof of ownership from the DTC participant through which the securities are held. The shareholder should be able to find out who this DTC participant is by asking the shareholder's broker or bank.[9]

If the DTC participant knows the shareholder's broker or bank's holdings, but does not know the shareholder's holdings, a shareholder could satisfy Rule 14a-8(b)(2)(i) by obtaining and submitting two proof of ownership statements verifying that, at the time the proposal was submitted, the required amount of securities were continuously held for at least one year – one from the shareholder's broker or bank confirming the shareholder's ownership, and the other from the DTC participant confirming the broker or bank's ownership.

How will the staff process no-action requests that argue for exclusion on the basis that the shareholder's proof of ownership is not from a DTC participant?

The staff will grant no-action relief to a company on the basis that the shareholder's proof of ownership is not from a DTC participant only if the company's notice of defect describes the required proof of ownership in a manner that is consistent with the guidance contained in this bulletin. Under Rule 14a-8(f)(1), the shareholder will have an opportunity to obtain the requisite proof of ownership after receiving the notice of defect.

C. Common errors shareholders can avoid when submitting proof of ownership to companies

In this section, we describe two common errors shareholders make when submitting proof of ownership for purposes of Rule 14a-8(b)(2), and we provide guidance on how to avoid these errors.

First, Rule 14a-8(b) requires a shareholder to provide proof of ownership that he or she has "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 meeting for at least one year by the date you submit the proposal" (emphasis added).[10] We note that many proof of ownership letters do not satisfy this requirement because they do not verify the shareholder's beneficial ownership for the entire one-year period preceding and including the date the proposal is submitted. In some cases, the letter speaks as of a date *before* the date the proposal is submitted, thereby leaving a gap between the date of the verification and the date the proposal is submitted. In other cases, the letter speaks as of a date *after* the date the proposal was submitted but covers a period of only one year, thus failing to verify the shareholder's beneficial ownership over the required full one-year period preceding the date of the proposal's submission.

Second, many letters fail to confirm continuous ownership of the securities. This can occur when a broker or bank submits a letter that confirms the shareholder's beneficial ownership only as of a specified date but omits any reference to continuous ownership for a one-year period.

We recognize that the requirements of Rule 14a-8(b) are highly prescriptive and can cause inconvenience for shareholders when submitting proposals.

Although our administration of Rule 14a-8(b) is constrained by the terms of the rule, we believe that shareholders can avoid the two errors highlighted above by arranging to have their broker or bank provide the required verification of ownership as of the date they plan to submit the proposal using the following format:

> "As of [date the proposal is submitted], [name of shareholder] held, and has held continuously for at least one year, [number of securities] shares of [company name] [class of securities]."[11]

As discussed above, a shareholder may also need to provide a separate written statement from the DTC participant through which the shareholder's securities are held if the shareholder's broker or bank is not a DTC participant.

D. The submission of revised proposals

On occasion, a shareholder will revise a proposal after submitting it to a company. This section addresses questions we have received regarding revisions to a proposal or supporting statement.

1. A shareholder submits a timely proposal. The shareholder then submits a revised proposal before the company's deadline for receiving proposals. Must the company accept the revisions?

Yes. In this situation, we believe the revised proposal serves as a replacement of the initial proposal. By submitting a revised proposal, the shareholder has effectively withdrawn the initial proposal. Therefore, the shareholder is not in violation of the one-proposal limitation in Rule 14a-8 (c).[12] If the company intends to submit a no-action request, it must do so with respect to the revised proposal.

We recognize that in Question and Answer E.2 of SLB No. 14, we indicated that if a shareholder makes revisions to a proposal before the company submits its no-action request, the company can choose whether to accept the revisions. However, this guidance has led some companies to believe that, in cases where shareholders attempt to make changes to an initial proposal, the company is free to ignore such revisions even if the revised proposal is submitted before the company's deadline for receiving shareholder proposals. We are revising our guidance on this issue to make clear that a company may not ignore a revised proposal in this situation.[13]

2. A shareholder submits a timely proposal. After the deadline for receiving proposals, the shareholder submits a revised proposal. Must the company accept the revisions?

No. If a shareholder submits revisions to a proposal after the deadline for receiving proposals under Rule 14a-8(e), the company is not required to accept the revisions. However, if the company does not accept the revisions, it must treat the revised proposal as a second proposal and submit a notice stating its intention to exclude the revised proposal, as required by Rule 14a-8(j). The company's notice may cite Rule 14a-8(e) as the reason for excluding the revised proposal. If the company does not accept the revisions and intends to exclude the initial proposal, it would also need to submit its reasons for excluding the initial proposal.

3. If a shareholder submits a revised proposal, as of which date must the shareholder prove his or her share ownership?

A shareholder must prove ownership as of the date the original proposal is submitted. When the Commission has discussed revisions to proposals,[14] it has not suggested that a revision triggers a requirement to provide proof of ownership a second time. As outlined in Rule 14a-8(b), proving ownership includes providing a written statement that the shareholder intends to continue to hold the securities through the date of the shareholder meeting. Rule 14a-8(f)(2) provides that if the shareholder "fails in [his or her] promise to hold the required number of securities through the date of the meeting of shareholders, then the company will be permitted to exclude all of [the same shareholder's] proposals from its proxy materials for any meeting held in the following two calendar years." With these provisions in mind, we do not interpret Rule 14a-8 as requiring additional proof of ownership when a shareholder submits a revised proposal.[15]

E. Procedures for withdrawing no-action requests for proposals submitted by multiple proponents

We have previously addressed the requirements for withdrawing a Rule 14a-8 no-action request in SLB Nos. 14 and 14C. SLB No. 14 notes that a company should include with a withdrawal letter documentation demonstrating that a shareholder has withdrawn the proposal. In cases where a proposal submitted by multiple shareholders is withdrawn, SLB No. 14C states that, if each shareholder has designated a lead individual to act on its behalf and the company is able to demonstrate that the individual is authorized to act on behalf of all of the proponents, the company need only provide a letter from that lead individual indicating that the lead individual is withdrawing the proposal on behalf of all of the proponents.

Because there is no relief granted by the staff in cases where a no-action request is withdrawn following the withdrawal of the related proposal, we recognize that the threshold for withdrawing a no-action request need not be overly burdensome. Going forward, we will process a withdrawal request if the company provides a letter from the lead filer that includes a representation that the lead filer is authorized to withdraw the proposal on behalf of each proponent identified in the company's no-action request.[16]

F. Use of email to transmit our Rule 14a-8 no-action responses to companies and proponents

To date, the Division has transmitted copies of our Rule 14a-8 no-action responses, including copies of the correspondence we have received in connection with such requests, by U.S. mail to companies and proponents. We also post our response and the related correspondence to the Commission's website shortly after issuance of our response.

In order to accelerate delivery of staff responses to companies and proponents, and to reduce our copying and postage costs, going forward, we intend to transmit our Rule 14a-8 no-action responses by email to companies and proponents. We therefore encourage both companies and proponents to include email contact information in any correspondence to each other and to us. We will use U.S. mail to transmit our no-action response to any company or proponent for which we do not have email contact information.

Given the availability of our responses and the related correspondence on the Commission's website and the requirement under Rule 14a-8 for companies and proponents to copy each other on correspondence submitted to the Commission, we believe it is unnecessary to transmit copies of the related correspondence along with our no-action response. Therefore, we intend to transmit only our staff response and not the correspondence we receive from the parties. We will continue to post to the Commission's website copies of this correspondence at the same time that we post our staff no-action response.

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[1] *See* Rule 14a-8(b).

[2] For an explanation of the types of share ownership in the U.S., see Concept Release on U.S. Proxy System, Release No. 34-62495 (July 14, 2010) [75 FR 42982] ("Proxy Mechanics Concept Release"), at Section II.A. The term "beneficial owner" does not have a uniform meaning under the federal securities laws. It has a different meaning in this bulletin as compared to "beneficial owner" and "beneficial ownership" in Sections 13 and 16 of the Exchange Act. Our use of the term in this bulletin is not intended to suggest that registered owners are not beneficial owners for purposes of those Exchange Act provisions. *See* Proposed Amendments to Rule 14a-8 under the Securities Exchange Act of 1934 Relating to Proposals by Security Holders, Release No. 34-12598 (July 7, 1976) [41 FR 29982], at n.2 ("The term 'beneficial owner' when used in the context of the proxy rules, and in light of the purposes of those rules, may be interpreted to have a broader meaning than it would for certain other purpose[s] under the federal securities laws, such as reporting pursuant to the Williams Act.").

[3] If a shareholder has filed a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5 reflecting ownership of the required amount of shares, the shareholder may instead prove ownership by submitting a copy of such filings and providing the additional information that is described in Rule 14a-8(b)(2)(ii).

[4] DTC holds the deposited securities in "fungible bulk," meaning that there are no specifically identifiable shares directly owned by the DTC participants. Rather, each DTC participant holds a pro rata interest or position in the aggregate number of shares of a particular issuer held at DTC. Correspondingly, each customer of a DTC participant – such as an individual investor – owns a pro rata interest in the shares in which the DTC participant has a pro rata interest. *See* Proxy Mechanics Concept Release, at Section II.B.2.a.

[5] *See* Exchange Act Rule 17Ad-8.

[6] *See* Net Capital Rule, Release No. 34-31511 (Nov. 24, 1992) [57 FR 56973] ("Net Capital Rule Release"), at Section II.C.

[7] *See KBR Inc. v. Chevedden*, Civil Action No. H-11-0196, 2011 U.S. Dist. LEXIS 36431, 2011 WL 1463611 (S.D. Tex. Apr. 4, 2011); *Apache Corp. v. Chevedden,* 696 F. Supp. 2d 723 (S.D. Tex. 2010). In both cases, the court concluded that a securities intermediary was not a record holder for purposes of Rule 14a-8(b) because it did not appear on a list of the

company's non-objecting beneficial owners or on any DTC securities position listing, nor was the intermediary a DTC participant.

[8] *Techne Corp.* (Sept. 20, 1988).

[9] In addition, if the shareholder's broker is an introducing broker, the shareholder's account statements should include the clearing broker's identity and telephone number. *See* Net Capital Rule Release, at Section II.C.(iii). The clearing broker will generally be a DTC participant.

[10] For purposes of Rule 14a-8(b), the submission date of a proposal will generally precede the company's receipt date of the proposal, absent the use of electronic or other means of same-day delivery.

[11] This format is acceptable for purposes of Rule 14a-8(b), but it is not mandatory or exclusive.

[12] As such, it is not appropriate for a company to send a notice of defect for multiple proposals under Rule 14a-8(c) upon receiving a revised proposal.

[13] This position will apply to all proposals submitted after an initial proposal but before the company's deadline for receiving proposals, regardless of whether they are explicitly labeled as "revisions" to an initial proposal, unless the shareholder affirmatively indicates an intent to submit a second, *additional* proposal for inclusion in the company's proxy materials. In that case, the company must send the shareholder a notice of defect pursuant to Rule 14a-8(f)(1) if it intends to exclude either proposal from its proxy materials in reliance on Rule 14a-8(c). In light of this guidance, with respect to proposals or revisions received before a company's deadline for submission, we will no longer follow *Layne Christensen Co.* (Mar. 21, 2011) and other prior staff no-action letters in which we took the view that a proposal would violate the Rule 14a-8(c) one-proposal limitation if such proposal is submitted to a company after the company has either submitted a Rule 14a-8 no-action request to exclude an earlier proposal submitted by the same proponent or notified the proponent that the earlier proposal was excludable under the rule.

[14] *See, e.g.*, Adoption of Amendments Relating to Proposals by Security Holders, Release No. 34-12999 (Nov. 22, 1976) [41 FR 52994].

[15] Because the relevant date for proving ownership under Rule 14a-8(b) is the date the proposal is submitted, a proponent who does not adequately prove ownership in connection with a proposal is not permitted to submit another proposal for the same meeting on a later date.

[16] Nothing in this staff position has any effect on the status of any shareholder proposal that is not withdrawn by the proponent or its authorized representative.

From: Abbot, Lisa H <LAbbot@sempra.com>
Sent: Wednesday, June 24, 2020 5:41 PM
To: ***
Cc: Ising, Elizabeth A.; Haseley, Courtney C; Jett, Jennifer; Spira, James M; Adams, Trina
Subject: Letter from Sempra Energy
Attachments: Letter from Sempra Energy to S. Taggart.pdf

[External Email]
Mr. Taggart,

On behalf of Sempra Energy, attached please find a letter to you in connection with your letter received by Sempra Energy on June 22, 2020 giving notice of your intent to present a shareholder proposal at Sempra Energy's 2021 Annual Shareholders Meeting.

Best regards,
Lisa

Lisa H. Abbot
Sr. Counsel – Corporate and Securities
Sempra Energy
488 8th Avenue
San Diego, CA 92101-3017
Tel: (619) 696-8523

***

Delivered
Friday 6/26/2020 at 3:30 pm

DELIVERED

GET STATUS UPDATES

OBTAIN PROOF OF DELIVERY

FROM	TO
SAN DIEGO, CA US	KAILUA, HI US

Shipment Facts

TRACKING NUMBER
***

SERVICE
FedEx Priority Overnight

SPECIAL HANDLING SECTION
Deliver Weekday, Residential Delivery

SHIP DATE
Thu 6/25/2020

ACTUAL DELIVERY
Fri 6/26/2020 3:30 pm

Travel History

Local Scan Time

Friday , 6/26/2020

3:30 pm	KAILUA, HI	Delivered
		Package delivered to recipient address - release authorized

***

EXHIBIT C

***

From: Stewart Taggart
Sent: Thursday, June 25, 2020 5:01 PM
To: Abbot, Lisa H <LAbbot@sempra.com>
Subject: [EXTERNAL] Re: Letter from Sempra Energy

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

Lisa,

I advised my custodian weeks ago about this, and we're well prepared. I should have the required proof within the week.

I furnished similar proof last year, and have not sold the shares.

When I get the letter, I'll email it to you and also send you a printed, unless we can agree to dispense with the latter.

> On Jun 24, 2020, at 2:40 PM, Abbot, Lisa H <LAbbot@sempra.com> wrote:
>
> Mr. Taggart,
>
> On behalf of Sempra Energy, attached please find a letter to you in connection with your letter received by Sempra Energy on June 22, 2020 giving notice of your intent to present a shareholder proposal at Sempra Energy's
> 2021 Annual Shareholders Meeting.
>
> Best regards,
> Lisa
>
> **Lisa H. Abbot**
> Sr. Counsel – Corporate and Securities
> Sempra Energy
> 488 8th Avenue
> San Diego, CA 92101-3017
> Tel: (619) 696-8523
>
> <Letter from Sempra Energy to S. Taggart.pdf>

This email originated outside of Sempra Energy. Be cautious of attachments, web links, or requests for information.

EXHIBIT D

***

From: Stewart Taggart
Sent: Friday, June 26, 2
To: Abbot, Lisa H <LAbbot@sempra.com>
Subject: [EXTERNAL] Re: Letter from Sempra Energy

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

Tnx confirming. I've always found everyone reasonable on all this stuff…

Should get the PDF to you sometime in the next week.

The issue here is that emerges from a level probably 20+ layers deep in the custodian organization…

On Jun 26, 2020, at 8:41 AM, Abbot, Lisa H <LAbbot@sempra.com> wrote:

Mr. Taggart,

Thank you for your reply. We will look forward to receiving your proof of ownership, and we will follow up with any additional questions once we receive it. As for the method of delivery of the letter from your custodian, a PDF copy emailed to me will suffice.

Thank you,
Lisa

Lisa H. Abbot
Sr. Counsel – Corporate and Securities
Sempra Energy
488 8th Avenue
San Diego, CA 92101-3017
Tel: (619) 696-8523

***

From: Stewart Taggart
Sent: Thursday, June 25, 2020 5:01 PM
To: Abbot, Lisa H <LAbbot@sempra.com>
Subject: [EXTERNAL] Re: Letter from Sempra Energy

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

Lisa,

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I furnished similar proof last year, and have not sold the shares.

When I get the letter, I'll email it to you and also send you a printed, unless we can agree to dispense with the latter.

On Jun 24, 2020, at 2:40 PM, Abbot, Lisa H <LAbbot@sempra.com> wrote:

Mr. Taggart,

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2021 Annual Shareholders Meeting.

Best regards,
Lisa

Lisa H. Abbot
Sr. Counsel – Corporate and Securities
Sempra Energy
488 8th Avenue
San Diego, CA 92101-3017
Tel: (619) 696-8523

<Letter from Sempra Energy to S. Taggart.pdf>

This email originated outside of Sempra Energy. Be cautious of attachments, web links, or requests for information.

This email originated outside of Sempra Energy. Be cautious of attachments, web links, or requests for information.

Lisa H. Abbot
Sr. Counsel
488 8th Avenue
San Diego, CA 92101

Tel: 619-696-8523
LAbbot@sempra.com

July 2, 2020

VIA OVERNIGHT MAIL AND EMAIL
Stewart Taggart
***

Dear Mr. Taggart:

I am writing on behalf of Sempra Energy (the "Company"), which received on June 22, 2020, your letter giving notice of your intent to present a shareholder proposal at the Company's 2021 Annual Shareholders Meeting (the "Submission"), and to supplement our initial letter (the "Initial Deficiency Letter"), which was sent to you on June 24, 2020.

In the Initial Deficiency Letter, on the assumption that your Submission was intended to be submitted pursuant to Securities and Exchange Commission ("SEC") Rule 14a-8 in order to include the Submission in the proxy statement for the Company's 2021 Annual Shareholders Meeting, we identified certain procedural deficiencies in connection with your Submission which SEC regulations require us to bring to your attention. We also indicated in the Initial Deficiency Letter that we reserved the right to send a subsequent letter regarding any additional procedural deficiencies that we identify before the deadline for our response, as set forth in Rule 14a-8.

We are writing to notify you that your Submission contains an additional procedural deficiency.

Pursuant to Rule 14a-8(c) under the Exchange Act, a shareholder may submit no more than one proposal to a company for a particular shareholders' meeting. We believe your Submission constitutes more than one shareholder proposal. Specifically, while parts of the Resolved clause in the Submission seek a report relating to compliance with the Paris Climate Accord, other portions of the Resolved clause (as well as other statements in the Submission's recitals) seek a report relating to potential strategies and risks for specific Company assets posed by climate change, which we believe constitutes a separate proposal. You can correct this procedural deficiency by indicating which proposal you would like to submit and which proposal you would like to withdraw.

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. For the avoidance of doubt, as stated in the Initial Deficiency Letter, the SEC's rules require that any

response concerning the deficiencies identified in the Initial Deficiency Letter be postmarked or transmitted electronically no later than 14 calendar days from June 24, 2020 (the date you received that letter), and this letter does not alter that deadline. 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 LAbbot@sempra.com.

We look forward to receiving your response to this letter and the Initial Deficiency Letter and having conversations with you thereafter concerning the topics covered by your Submission. If you have any questions with respect to the foregoing, please contact me at (619) 696-8523.

Sincerely,

Lisa Abbot
Senior Counsel – Corporate and Securities

Enclosures

Rule 14a-8 – Shareholder Proposals

This section addresses when a company must include a shareholder's proposal in its proxy statement and identify the proposal in its form of proxy when the company holds an annual or special meeting of shareholders. In summary, in order to have your shareholder proposal included on a company's proxy card, and included along with any supporting statement in its proxy statement, you must be eligible and follow certain procedures. Under a few specific circumstances, the company is permitted to exclude your proposal, but only after submitting its reasons to the Commission. We structured this section in a question-and-answer format so that it is easier to understand. The references to ''you'' are to a shareholder seeking to submit the proposal.

(a) *Question 1:* What is a proposal? A shareholder proposal is your recommendation or requirement that the company and/or its board of directors take action, which you intend to present at a meeting of the company's shareholders. Your proposal should state as clearly as possible the course of action that you believe the company should follow. If your proposal is placed on the company's proxy card, the company must also provide in the form of proxy means for shareholders to specify by boxes a choice between approval or disapproval, or abstention. Unless otherwise indicated, the word "proposal" as used in this section refers both to your proposal, and to your corresponding statement in support of your proposal (if any).

(b) *Question 2:* Who is eligible to submit a proposal, and how do I demonstrate to the company that I am eligible?

> (1) In order to be eligible to submit a proposal, you 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 meeting for at least one year by the date you submit the proposal. You must continue to hold those securities through the date of the meeting.
>
> (2) If you are the registered holder of your securities, which means that your name appears in the company's records as a shareholder, the company can verify your eligibility on its own, although you will still have to provide the company with a written statement that you intend to continue to hold the securities through the date of the meeting of shareholders. However, if like many shareholders you are not a registered holder, the company likely does not know that you are a shareholder, or how many shares you own. In this case, at the time you submit your proposal, you must prove your eligibility to the company in one of two ways:
>
>> (i) The first way is to submit to the company a written statement from the "record" holder of your securities (usually a broker or bank) verifying that, at the time you submitted your proposal, you continuously held the securities for at least one year. You must also include your own written statement that you intend to continue to hold the securities through the date of the meeting of shareholders; or
>>
>> (ii) The second way to prove ownership applies only if you have filed a Schedule 13D (§240.13d–101), Schedule 13G (§240.13d–102), Form 3 (§249.103 of this chapter), Form 4 (§249.104 of this chapter) and/or Form 5 (§249.105 of this chapter), or amendments to those documents or updated forms, reflecting your ownership of the shares as of or before the date on which the one-year eligibility period begins. If you have filed one of these documents with the SEC, you may demonstrate your eligibility by submitting to the company:
>>
>>> (A) A copy of the schedule and/or form, and any subsequent amendments reporting a change in your ownership level;

(B) Your written statement that you continuously held the required number of shares for the one-year period as of the date of the statement; and

(C) Your written statement that you intend to continue ownership of the shares through the date of the company's annual or special meeting.

(c) *Question 3:* How many proposals may I submit? Each shareholder may submit no more than one proposal to a company for a particular shareholders' meeting.

(d) *Question 4:* How long can my proposal be? The proposal, including any accompanying supporting statement, may not exceed 500 words.

(e) *Question 5:* What is the deadline for submitting a proposal?

(1) If you are submitting your proposal for the company's annual meeting, you can in most cases find the deadline in last year's proxy statement. However, if the company did not hold an annual meeting last year, or has changed the date of its meeting for this year more than 30 days from last year's meeting, you can usually find the deadline in one of the company's quarterly reports on Form 10–Q (§249.308a of this chapter), or in shareholder reports of investment companies under §270.30d–1 of this chapter of the Investment Company Act of 1940. In order to avoid controversy, shareholders should submit their proposals by means, including electronic means, that permit them to prove the date of delivery.

(2) The deadline is calculated in the following manner if the proposal is submitted for a regularly scheduled annual meeting. The proposal must be received at the company's principal executive offices not less than 120 calendar days before the date of the company's proxy statement released to shareholders in connection with the previous year's annual meeting. However, if the company did not hold an annual meeting the previous year, or if the date of this year's annual meeting has been changed by more than 30 days from the date of the previous year's meeting, then the deadline is a reasonable time before the company begins to print and send its proxy materials.

(3) If you are submitting your proposal for a meeting of shareholders other than a regularly scheduled annual meeting, the deadline is a reasonable time before the company begins to print and send its proxy materials.

(f) *Question 6:* What if I fail to follow one of the eligibility or procedural requirements explained in answers to Questions 1 through 4 of this section?

(1) The company may exclude your proposal, but only after it has notified you of the problem, and you have failed adequately to correct it. Within 14 calendar days of receiving your proposal, the company must notify you in writing of any procedural or eligibility deficiencies, as well as of the time frame for your response. Your response must be postmarked, or transmitted electronically, no later than 14 days from the date you received the company's notification. A company need not provide you such notice of a deficiency if the deficiency cannot be remedied, such as if you fail to submit a proposal by the company's properly determined deadline. If the company intends to exclude the proposal, it will later have to make a submission under §240.14a–8 and provide you with a copy under Question 10 below, §240.14a–8(j).

(2) If you fail in your promise to hold the required number of securities through the date of the meeting of shareholders, then the company will be permitted to exclude all of your proposals from its proxy materials for any meeting held in the following two calendar years.

(g) *Question 7:* Who has the burden of persuading the Commission or its staff that my proposal can be excluded? Except as otherwise noted, the burden is on the company to demonstrate that it is entitled to exclude a proposal.

(h) *Question 8:* Must I appear personally at the shareholders' meeting to present the proposal?

(1) Either you, or your representative who is qualified under state law to present the proposal on your behalf, must attend the meeting to present the proposal. Whether you attend the meeting yourself or send a qualified representative to the meeting in your place, you should make sure that you, or your representative, follow the proper state law procedures for attending the meeting and/or presenting your proposal.

(2) If the company holds its shareholder meeting in whole or in part via electronic media, and the company permits you or your representative to present your proposal via such media, then you may appear through electronic media rather than traveling to the meeting to appear in person.

(3) If you or your qualified representative fail to appear and present the proposal, without good cause, the company will be permitted to exclude all of your proposals from its proxy materials for any meetings held in the following two calendar years.

(i) *Question 9:* If I have complied with the procedural requirements, on what other bases may a company rely to exclude my proposal?

(1) *Improper under state law:* If the proposal is not a proper subject for action by shareholders under the laws of the jurisdiction of the company's organization;

Note to paragraph (i)(1): Depending on the subject matter, some proposals are not considered proper under state law if they would be binding on the company if approved by shareholders. In our experience, most proposals that are cast as recommendations or requests that the board of directors take specified action are proper under state law. Accordingly, we will assume that a proposal drafted as a recommendation or suggestion is proper unless the company demonstrates otherwise.

(2) *Violation of law:* If the proposal would, if implemented, cause the company to violate any state, federal, or foreign law to which it is subject;

Note to paragraph (i)(2): We will not apply this basis for exclusion to permit exclusion of a proposal on grounds that it would violate foreign law if compliance with the foreign law would result in a violation of any state or federal law.

(3) *Violation of proxy rules:* If the proposal or supporting statement is contrary to any of the Commission's proxy rules, including §240.14a-9, which prohibits materially false or misleading statements in proxy soliciting materials;

(4) *Personal grievance; special interest:* If the proposal relates to the redress of a personal claim or grievance against the company or any other person, or if it is designed to result in a benefit to you, or to further a personal interest, which is not shared by the other shareholders at large;

(5) *Relevance:* If the proposal relates to operations which account for less than 5 percent of the company's total assets at the end of its most recent fiscal year, and for less than 5 percent of its net earnings and gross sales for its most recent fiscal year, and is not otherwise significantly related to the company's business;

(6) *Absence of power/authority:* If the company would lack the power or authority to implement the proposal;

(7) *Management functions:* If the proposal deals with a matter relating to the company's ordinary business operations;

(8) *Director elections:* If the proposal:

(i) Would disqualify a nominee who is standing for election;

(ii) Would remove a director from office before his or her term expired;

(iii) Questions the competence, business judgment, or character of one or more nominees or directors;

(iv) Seeks to include a specific individual in the company's proxy materials for election to the board of directors; or

(v) Otherwise could affect the outcome of the upcoming election of directors.

(9) *Conflicts with company's proposal:* If the proposal directly conflicts with one of the company's own proposals to be submitted to shareholders at the same meeting;

Note to paragraph (i)(9): A company's submission to the Commission under this section should specify the points of conflict with the company's proposal.

(10) *Substantially implemented:* If the company has already substantially implemented the proposal;

Note to paragraph (i)(10): A company may exclude a shareholder proposal that would provide an advisory vote or seek future advisory votes to approve the compensation of executives as disclosed pursuant to Item 402 of Regulation S–K (§229.402 of this chapter) or any successor to Item 402 (a “say-on-pay vote”) or that relates to the frequency of say-on-pay votes, provided that in the most recent shareholder vote required by §240.14a–21(b) of this chapter a single year (i.e., one, two, or three years) received approval of a majority of votes cast on the matter and the company has adopted a policy on the frequency of say-on-pay votes that is consistent with the choice of the majority of votes cast in the most recent shareholder vote required by §240.14a–21(b) of this chapter.

(11) *Duplication:* If the proposal substantially duplicates another proposal previously submitted to the company by another proponent that will be included in the company's proxy materials for the same meeting;

(12) *Resubmissions:* If the proposal deals with substantially the same subject matter as another proposal or proposals that has or have been previously included in the company's proxy materials within the preceding 5 calendar years, a company may exclude it from its proxy materials for any meeting held within 3 calendar years of the last time it was included if the proposal received:

(i) Less than 3% of the vote if proposed once within the preceding 5 calendar years;

(ii) Less than 6% of the vote on its last submission to shareholders if proposed twice previously within the preceding 5 calendar years; or

(iii) Less than 10% of the vote on its last submission to shareholders if proposed three times or more previously within the preceding 5 calendar years; and

(13) *Specific amount of dividends:* If the proposal relates to specific amounts of cash or stock dividends.

(j) *Question 10:* What procedures must the company follow if it intends to exclude my proposal?

(1) If the company intends to exclude a proposal from its proxy materials, it must file its reasons with the Commission no later than 80 calendar days before it files its definitive proxy statement and form of proxy with the Commission. The company must simultaneously provide you with a copy of its submission. The Commission staff may permit the company to make its submission later than 80 days before the company files its definitive proxy statement and form of proxy, if the company demonstrates good cause for missing the deadline.

(2) The company must file six paper copies of the following:

(i) The proposal;

(ii) An explanation of why the company believes that it may exclude the proposal, which should, if possible, refer to the most recent applicable authority, such as prior Division letters issued under the rule; and

(iii) A supporting opinion of counsel when such reasons are based on matters of state or foreign law.

(k) *Question 11:* May I submit my own statement to the Commission responding to the company's arguments? Yes, you may submit a response, but it is not required. You should try to submit any response to us, with a copy to the company, as soon as possible after the company makes its submission. This way, the Commission staff will have time to consider fully your submission before it issues its response. You should submit six paper copies of your response.

(l) *Question 12:* If the company includes my shareholder proposal in its proxy materials, what information about me must it include along with the proposal itself?

(1) The company's proxy statement must include your name and address, as well as the number of the company's voting securities that you hold. However, instead of providing that information, the company may instead include a statement that it will provide the information to shareholders promptly upon receiving an oral or written request.

(2) The company is not responsible for the contents of your proposal or supporting statement.

(m) *Question 13:* What can I do if the company includes in its proxy statement reasons why it believes shareholders should not vote in favor of my proposal, and I disagree with some of its statements?

(1) The company may elect to include in its proxy statement reasons why it believes shareholders should vote against your proposal. The company is allowed to make arguments reflecting its own point of view, just as you may express your own point of view in your proposal's supporting statement.

(2) However, if you believe that the company's opposition to your proposal contains materially false or misleading statements that may violate our anti-fraud rule, §240.14a–9, you should promptly send to the Commission staff and the company a letter explaining the reasons for your view, along with a copy of the company's statements opposing your proposal. To the extent possible, your letter should include specific factual information demonstrating the inaccuracy of the company's claims. Time permitting, you may wish to try to work out your differences with the company by yourself before contacting the Commission staff.

(3) We require the company to send you a copy of its statements opposing your proposal before it sends its proxy materials, so that you may bring to our attention any materially false or misleading statements, under the following timeframes:

(i) If our no-action response requires that you make revisions to your proposal or supporting statement as a condition to requiring the company to include it in its proxy materials, then the company must provide you with a copy of its opposition statements no later than 5 calendar days after the company receives a copy of your revised proposal; or

(ii) In all other cases, the company must provide you with a copy of its opposition statements no later than 30 calendar days before its files definitive copies of its proxy statement and form of proxy under §240.14a–6.

From: Abbot, Lisa H <LAbbot@sempra.com>
Sent: Thursday, July 2, 2020 5:03 PM
To: ***
Cc: Ising, Elizabeth A.; Haseley, Courtney C; Jett, Jennifer; Spira, James M; Adams, Trina
Subject: RE: Letter from Sempra Energy
Attachments: Letter to S. Taggart 7.2.20.pdf

[External Email]
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Best regards,
Lisa

Lisa H. Abbot
Sr. Counsel – Corporate and Securities
Sempra Energy
488 8th Avenue
San Diego, CA 92101-3017
Tel: (619) 696-8523

From: Abbot, Lisa H
Sent: Wednesday, June 24, 2020 5:41 PM
To: ***
Cc: Ising, Elizabeth A. <Eising@gibsondunn.com>; Haseley, Courtney C <CHaseley@gibsondunn.com>; Jett, Jennifer <jjett@sempra.com>; Spira, James M <JSpira@sempra.com>; Trina Adams (TAdams1@Sempra.com) <TAdams1@Sempra.com>
Subject: Letter from Sempra Energy

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Lisa

Lisa H. Abbot
Sr. Counsel – Corporate and Securities
Sempra Energy
488 8th Avenue
San Diego, CA 92101-3017
Tel: (619) 696-8523

***

Delivered
Friday 7/03/2020 at 11:12 am

DELIVERED

GET STATUS UPDATES
OBTAIN PROOF OF DELIVERY

FROM	TO
SAN DIEGO, CA US	KAILUA, HI US

Shipment Facts

TRACKING NUMBER
***

SERVICE
FedEx Priority Overnight

SPECIAL HANDLING SECTION
Deliver Weekday, Residential Delivery

SHIP DATE
Thu 7/02/2020

ACTUAL DELIVERY
Fri 7/03/2020 11:12 am

Travel History

Local Scan Time

Friday , 7/03/2020

11:12 am	KAILUA, HI	Delivered
		Package delivered to recipient address - release authorized

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From: Stewart Taggart
Sent: Sunday, July 5, 2020 12:05 PM
To: Abbot, Lisa H <LAbbot@sempra.com>
Cc: Ising, Elizabeth A. <Eising@gibsondunn.com>; Haseley, Courtney C <CHaseley@gibsondunn.com>; Jett, Jennifer <jjett@sempra.com>; Spira, James M <JSpira@sempra.com>; Adams, Trina <TAdams1@Sempra.com>
Subject: Re: Letter from Sempra Energy

[External Email]
Lisa,

Thanks for your letter, but it tends to indicate you fundamentally misunderstood or didn't read properly the shareholder resolution.

The resolution does not ask for a 'report' on the Paris Accord.

Nowhere in the resolution does it say this.

Instead, **the resolution poses an initial 'yes' or 'no' question and requests a SINGLE report** based upon the answer. The only way the resolution can be construed as asking for TWO studies is if Sempra plans to answer both yes and no to the question — a logical nonsense.

To date (and I admit I could be wrong) **I can't find a public statement Sempra supports the Paris Accord** which calls for net-zero global emissions after 2050. The resolution, reasonably, thus initially **asks Sempra to specify whether it supports or does not support the Accord, AND:**

If Sempra DOES support the Paris Climate Accord, how Sempra will meet the Accord's post-2050 net zero goals with Liquid Natural Gas operations emitting Scope Three emissions of .66 tonnes of CO2 per mwhe generated from it, according to US Department of Energy figures.

The report should then discuss — should Sempra confirm support for the Accord — if and how hydrogen from renewable energy might play a role in achieving Sempra's enterprise-level net zero emissions on January 2, 2050.

Knowing more here may alert investors to hidden net present value in the company's shares. This could offset the negative net present value of Sempra LNG assets requiring full depreciation and exit from the market in 2050 (unless, of course, future offsets are bought at wild card prices, something that also should be discussed).

To be clear, the Paris Accord only specifies 'net zero' global emissions after 2050 — wiggle room large enough for a rhinoceros. Despite this, adequate discussion of the issue involves advising investors whether or not Sempra (1) plans to become internally net zero by/after 2050 by closing and writing down its LNG investments, (2) plans to just purchase offsets if needed as a fig leaf or (3) plans to wear a naked bet on global backsliding.

Naturally, **If Sempra believes 'post 2050' means 2100** or some other date in Sempra's case, **investors need to hear this** to make net present calculations that include reputational variables.

If Sempra does NOT support the Paris Climate Accord, the resolution seeks a report on **why Sempra believes resulting ESG divestment risk is either non-existent,** negligible in its impact on Sempra or that the Paris Accord will be flouted by all - offering reputational cover.

Regarding the deficiency, the pickle shareholder resolution filers find themselves in is that by providing proof of share ownership predating filing of a resolution does not prove holding as of the date of receipt of the resolution by the company, rendering it worthless.

Given that extracting this proof from deep inside custodian organizations takes ages, the SEC has indicated to companies to go easy on the 14-day rule. Virtually all companies I've dealt have understood this, including Sempra.

Happily, I've been told my custody outfit (Franklin Resources) that is now has the proof, and I've asked FR to email it to me

ASAP so that you may have it as soon as the COB Monday.

I'll advise if it takes longer.

On Jun 26, 2020, at 8:41 AM, Abbot, Lisa H <LAbbot@sempra.com> wrote:

Mr. Taggart,

Thank you for your reply. We will look forward to receiving your proof of ownership, and we will follow up with any additional questions once we receive it. As for the method of delivery of the letter from your custodian, a PDF copy emailed to me will suffice.

Thank you,
Lisa

Lisa H. Abbot
Sr. Counsel – Corporate and Securities
Sempra Energy
488 8th Avenue
San Diego, CA 92101-3017
Tel: (619) 696-8523

From: Stewart Taggart ***
Sent: Thursday, June 25, 2020 5:01 PM
To: Abbot, Lisa H <LAbbot@sempra.com>
Subject: [EXTERNAL] Re: Letter from Sempra Energy

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

Lisa,

I advised my custodian weeks ago about this, and we're well prepared. I should have the required proof within the week.

I furnished similar proof last year, and have not sold the shares.

When I get the letter, I'll email it to you and also send you a printed, unless we can agree to dispense with the latter.

On Jun 24, 2020, at 2:40 PM, Abbot, Lisa H <LAbbot@sempra.com> wrote:

Mr. Taggart,

On behalf of Sempra Energy, attached please find a letter to you in connection with your letter received by Sempra Energy on June 22, 2020 giving notice of your intent to present a shareholder proposal at Sempra Energy's
2021 Annual Shareholders Meeting.

Best regards,
Lisa

Lisa H. Abbot
Sr. Counsel – Corporate and Securities
Sempra Energy
488 8th Avenue
San Diego, CA 92101-3017
Tel: (619) 696-8523

<Letter from Sempra Energy to S. Taggart.pdf>

This email originated outside of Sempra Energy. Be cautious of attachments, web links, or requests for information.

EXHIBIT E

Stewart Taggart
***

July 28, 2020

Corporate Secretary
Sempra Energy Corporate Headquarters
488 8th Ave San Diego, CA 92101
(619) 696-2000

Dear Secretary

Please accept the resolution below for a vote by shareholders at the company's 2021 Annual General Meeting

The resolution seeks the company's views on the competitive longevity of the Liquid Natural Gas (LNG) industry and the company's LNG investments given the Paris Accords 2C objective of attaining 'net zero' emissions after 2050

Such insight is critical for investors to develop long-term fair value assessments for the company's shares should investors deem carbon emissions relevant to corporate valuation

In coming days I will be sending confirmation of my company share holdings from Fiduciary Trust Company International JP Morgan, DTC Participant #902, acting as custodian for FTCI, holds the shares in an 'omnibus structure' that does not allow identification of individual share holdings JP Morgan therefore claims FTCI is the only party that can confirm my holding of the required number of shares for the required amount of time

Should this prove insufficient, please include that in your no action request to the SEC The SEC can then rule whether shares held by JP Morgan as custodian are ineligible for use in shareholder resolutions It's a clarification investors need to know

I commit to holding my existing shares through the next Annual General Meeting and beyond Given its early submission, I will almost certainly update its contents as time passes between now and the resolution filing deadline

***

The best -- and ONLY way -- to contact me is by email at

Sincerely,

Stewart Taggart

SHAREHOLDER RESOLUTION

WHEREAS: *Sempra Energy* plans to deploy 45 million tonnes year of Liquid Natural Gas capacity in the United States by 2025, making Sempra America's second- largest Liquid Natural Gas exporter

But given post-mid-century *Paris Accord* global net zero carbon emission targets, *Sempra* could face technology transition and shareholder divestment risk on this capacity Investors need to know more to value *Sempra* shares

Sempra's Texas Liquid Natural Gas project is scheduled to come on line in 2026, just 24 years before post 2050 net zero targets under the Paris Accord which Sempra has yet to publicly support

As early as 2030, carbon-adjusted wind and solar are likely to become cheaper than Liquid Natural Gas, according to *Bloomberg New Energy Finance* and others

Meanwhile, *Sempra* subsidiary *SoCal Gas* is a member of the *Hydrogen Council* and *SoCal Gas* plans to produce hydrogen from natural gas With modification, Liquid Natural Gas infrastructure can carry hydrogen Some first demonstration hydrogen shipments from Australia to Japan are expected in time for the 2021 Tokyo "Hydrogen" Olympics

This suggests *Sempra* could (if it chose) invest in natural gas-derived hydrogen production pending falling cost solar and wind-derived hydrogen as a long term replacement for its dirtier (on a Scope Three emissions basis) Liquid Natural Gas trade

Sempra subsidiary *SoCal Gas* estimates the *Hydrogen Council's* vision of hydrogen development could avoid 1 billion tonnes, or 13% of global emissions by creating a $2 5 trillion market employing 30 million people by mid century

Learning more from *Sempra* enables shareholders to refine net present value expectations for Sempra shares given future market shifts away from sunset Liquid Natural Gas and toward potentially more lucrative and long lasting sunrise markets such as green hydrogen produced from wind and solar

RESOLVED: *Sempra* shall confirm whether or not it supports the goals of the *Paris Climate Accord*

If yes, *Sempra* shall outline how it intends to meet the objectives of the accord given *Sempra's* existing investments in Liquid Natural Gas It should specifically discuss the potential for hydrogen production from renewable energy as a future use for legacy Liquid Natural Gas infrastructure at risk in future years from emissions constraints, carbon pricing and technological dislocation from (among others) wind and solar

If no, *Sempra* shall discuss how it plans to handle long-term Environmental-Social-Governance divestment risk (should Sempra believe it exists) from continued exposure to the Liquid Natural Gas trade given LNG's Scope Three emissions of around 66 tonne per megawatt-hour equivalent (according to the US *Department of Energy*, *Bloomberg New Energy,* the *Union of Concerned Scientists,* and others

7/28/20, 7:54 AM

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ORIGIN ID:HNLA
STEWART TAGGART
***

SHIP DATE: 28JUL20
ACTWGT: 0.20 LB
CAD: 251847094/INET4280

BILL SENDER

TO **CORPORATE SECRETARY**
SEMPRA ENERGY
488 8TH AVE.

SAN DIEGO CA 92101
(619) 696-2000 REF: SHAREHOLDING CONFIRMATION
INV:
PO: DEPT:

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CZ SDMA

92101
CA-US **SAN**

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EXHIBIT F

Stewart Taggart
***

August 4, 2020

Sempra Energy
Corporate Headquarters
488 8th Ave
San Diego, CA 92101
(619) 696-2000

Dear Corporate Secretary,

On Friday, you received a revised shareholder resolution from me for presentation to the 2021 Annual General Meeting Enclosed is a Federal Express tracking number and delivery record

That shareholder resolution replaces one I filed earlier but missed the deadline for providing proof of company share ownership

That occurred because of delays in getting confirmation of share holdings from *JP Morgan,* the share custodian for my retail financial institution *Fiduciary Trust Co Inc*

The issue involved arcane share custody technicalities *JP Morgan,* the custody institution, uses an 'omnibus structure' which -- translated --means individual share holdings can't be individually identified

That, in turn, makes *FTCI* the sole party able to provide such verification

It took a while for me to all this straightened out after submitting my initial resolution The result I missed the window (14 days as I remember) to submit proof of share ownership

My resubmitted resolution delivered late last week followed in short order by this share holding confirmation should square all this away

Sincerely,

Stewart Taggart

Fiduciary Trust International
280 Park Avenue
New York, NY 10017
tel (212) 632-3323
fiduciarytrust com

Wednesday, July 29, 2020

Corporate Secretary
Sempra Energy Corporate Headquarters
488 8th Avenue
San Diego, CA 92101
United States of America

Subject: Shareholder Confirmation Letter

Dear To Whom it May Concern, Sempra Energy

Stewart Taggart, as trustee of the Stewart and Rebecca Taggart Revocable Trust held by Fiduciary Trust Company International (FTCI), has owned continuously to this day without interruption 30 shares of Sempra Energy since 6/8/2017 date

The shares are held on Fiduciary's behalf by JP Morgan, a DTC participant number 902, in an omnibus structure that does not allow JP Morgan to see or know the name(s) of the underlying beneficial owner account at Fiduciary

As a result, Fiduciary is the only party that can confirm the claimed share numbers of Sempra Energy stock are held on behalf of Stewart and Rebecca Taggart in the specified account, and we confirm the continuous holdings above

Sincerely,

Nicholas J Imbriale

Nicholas Imbriale
VP, Relationship Manager

PEEL HERE

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ORIGIN ID:[illegible]
STEWART TA[illegible]
***

SHIP DATE: 04AUG20
ACTWGT: 0.10 LB
CAD: 2518[illegible]
BILL SENDER

TO CORPORATE SECRETARY
SEMPRA ENERGY
488 8TH AVE

SAN DIEGO CA 92101
(619) 696-2000
INV
PO
REF SEMPRA_REFILE 200802

56BJ2/7709/B766

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FedEx Express

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THU - 06 AUG 4:30P
** 2DAY **

THU – 06 AUG AA
** 2DAY **

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ST 34 7168 08 05

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92101
CA-US SAN

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FedEx

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the packa

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