

Safeguarding energy reliability and building a clean energy future

Did you know?

We operate and maintain large, complex energy networks to serve 3.7M residents.



Natural Gas System

Customer Accounts:

905K

Transmission Pipelines:

234 miles

Distribution Pipelines:

8K miles

of gas mains and

7K miles

of gas services



Electric System

Total Electric Accounts:

1.5M

Transmission Lines:

2,010 miles

Distribution Lines:

16,462 miles

Substations:

160

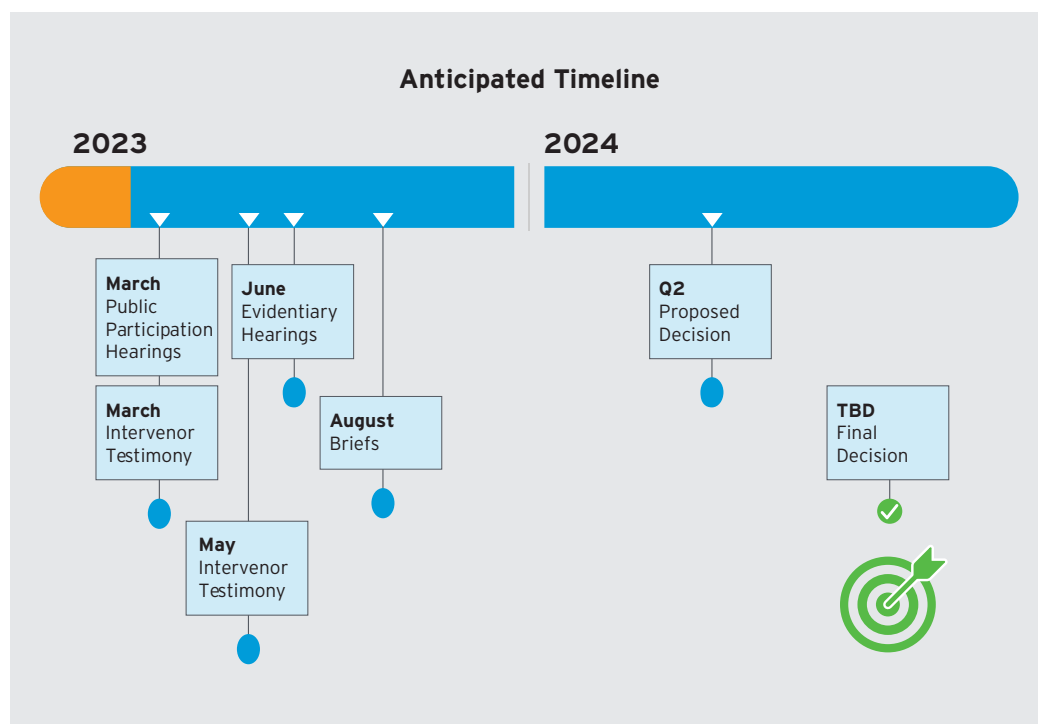


To learn more, visit
sdgeratesinfo.com

INTRODUCTION

Safeguarding energy reliability against growing climate threats and building a clean energy future aligned with regional and state climate goals are the driving forces behind the 2024-2027 budget proposal that San Diego Gas & Electric® filed on May 16, 2022 with the California Public Utilities Commission (CPUC). Every four years, regulated utilities in the state are required to file what are formally known as general rate cases (GRC) outlining their capital investments and forecasted costs for operations and maintenance. There is no immediate impact to customer bills as a result of this application.

In addition to maintaining high safety and reliability standards, SDG&E's GRC also supports regional plans to reduce emissions, and the State of California's goal to achieve carbon neutrality by 2045. This is also the first GRC to include a 10-year plan to transform the electric grid into a catalyst for decarbonizing the economy. This GRC is the next step to implement *The Path to Net Zero: A Decarbonization Roadmap for California*, a year-long study SDG&E® undertook to identify what is believed to be the best pathway to achieve carbon neutrality.



KEY INVESTMENTS OUTLINED IN THE BUDGET PROPOSAL

Infrastructure Innovations

EV Infrastructure – Expand, operate and maintain electric vehicle (EV) charging infrastructure throughout the region, given all passenger car sales in California are required to be zero-emission by 2035, followed by the requirement that all medium and heavy-duty vehicle sales are to be zero-emission by 2045, where feasible.

Electric Grid – Modernize the electric grid with cutting-edge technology to enable the integration of significantly more solar and wind generation, residential and commercial-scale battery storage, EV charging, and customer transition from natural gas to electric appliances.

Battery Facilities – Install more utility-scale battery facilities at strategic locations to maximize the use of solar energy, which is often curtailed in the middle of the day because there is more supply than demand, and to support reliable service during periods of high energy demand, like on extremely hot summer days.

Clean Fuel Sources – Develop additional clean fuel sources, such as green hydrogen for transportation and electric generation, with the goal of supporting electrification of vehicles and buildings.

Smart Meters – Give customers more control, access and insights into their energy usage by implementing the next generation of smart meters.

Safety and Reliability Investments

Decreased Power Outages – Cut the risk of power outages by adopting grid automation and remote sensing tools and replacing aging or failure-prone equipment, such as underground Tee connectors and corroded overhead switches.

Microgrids – Upgrade microgrids with zero-emissions energy resources (i.e., battery storage) to keep vulnerable communities and critical resources, such as healthcare and CALFIRE facilities, powered during Public Safety Power Shutoffs.

Wildfire Mitigation – Reduce wildfire risk and minimize Public Safety Power Shutoffs by hardening 440 miles of power lines between 2022 and 2024, either by burying them underground or insulating them.

Cybersecurity and Technology – Strengthen cybersecurity and technology infrastructure to address ever-changing security threats that could disrupt business operations and place customer and employee health and safety at risk. These upgrades will also help secure customer data to meet stronger privacy regulations.

Natural Gas Pipelines – Accelerate the replacement of aging plastic natural gas pipelines to improve safety and reliability and reduce methane emissions.



Public EV charging stations.



Undergrounding power lines.

HOW THE PROPOSAL BENEFITS CUSTOMERS AND THE REGION

- **Fewer power outages** than the rest of the country. SDG&E has been recognized as the most reliable electric utility in the West for 17 years straight; also named the most reliable in the nation in 2021.
- **Grid modernization initiatives** that will support regional and state climate goals to build a clean energy future and achieve carbon neutrality over the next two decades.
- **Robust wildfire safety programs** that help protect our region from catastrophic wildfires and save customers tens of millions of dollars in insurance costs.
- **Safe and reliable natural gas service** and 24/7 gas emergency response crews who quickly control leaks and repair damaged pipes to protect public safety and minimize methane emissions.
- **New jobs and industry growth** is possible as the clean energy transition will empower an entirely new ecosystem of jobs, including EV charging providers and manufacturers, hydrogen producers, solar, energy storage and electric appliance installers to grow.
- **Workforce development** – training the next generation of qualified electrical workers to support the clean energy transition – is a major focus for SDG&E.
- **Supplier diversity is critical to SDG&E.** The company has a long history of hiring small and diverse businesses that supply goods and services we need to serve our customers. In 2021, 39.1% of SDG&E's overall expenditures (\$936 million) were with diverse suppliers, exceeding the California Public Utilities Commission's goal of 21.5%.
- **A diverse workforce is not just a goal, but an inherent part of SDG&E's values.** About half (52%) of SDG&E's workforce are people of color, reflecting the diverse communities we serve. Our employees work and live in these communities and contribute to the local economy.







Workforce Development Programs in Action.



Building a cleaner, stronger and healthier future

BUDGET REQUEST SUMMARY

Year	Gas Budget Request	Electric Budget Request	Total Budget Request	Monthly Bill Impact (average residential customer)	
					
2024	~ 664 Million	~ 2.33 Billion	~ 3 Billion	\$8.45 electric	\$9.16 gas
				increase per month	
<i>*Budgets for 2025 - 2027 of the general rate case will be determined according to inflation-based formulas to be approved by the CPUC.</i>					

ABOUT SDG&E



3.7

Million Consumers

We distribute energy service to 3.7 million people through 1.5 million electric meters and 905,000 natural gas meters in San Diego and southern orange counties.



4,100

Square-mile Service Area

We supply power to a 4,100 square-mile service area spanning 2 counties and 25 communities.



4,600

Employees

We employ more than 4,600 people who work every day to deliver the energy our customers need.