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VIA ELECTRONIC FILING **2026 Executive Compensation Docket**
Docket # 2026-EC

Suzie Rose
Program Manager, Electrical Undergrounding and Culture Division
Office of Energy Infrastructure Safety
715 P Street, 20th Floor
Sacramento, CA 95814

Re: San Diego Gas & Electric Company's Documentation of Compliance with Executive Compensation Provisions of Public Utilities Code § 8389(a) and the Office of Energy Infrastructure Safety Guidance

Dear Program Manager Suzie Rose,

In response to the Office of Energy Infrastructure Safety's (Energy Safety) Executive Compensation Structure Submission Guidelines (2026 Guidelines), and in accordance with Public Utilities Code §§ 8389(a)(4) and (a)(6), San Diego Gas & Electric Company (SDG&E or Company) submits its request for approval of its 2026 executive compensation structure. SDG&E's executive compensation structure reflects its company values to "do the right thing," by championing people and prioritizing the safety of our communities, customers, and employees. As described in the attached submission, safety—including but not limited to wildfire safety—remains a cornerstone of the Company's incentive compensation structure.

The enclosed submission demonstrates that SDG&E's executive compensation structure complies with the statutory requirements of Assembly Bill (AB) 1054.. SDG&E's 2026 executive compensation structure carries forward numerous elements that were included in its approved 2025 executive compensation structure. As described in the enclosed submission, any revisions continue to promote safety as a priority and meet statutory requirements.

SDG&E's submission reflects changes in SDG&E's organization and structure. Effective January 31, 2026, certain SDG&E executive officers transitioned to a shared services role with responsibility over both SDG&E and SoCalGas operations. These executives are now covered by the shared services short term incentive program (STIP). This structure is reflected throughout this submission, particularly Section 1.3, in which each section was duplicated to reflect SDG&E's STIP and the "shared services" STIP of both SDG&E and SoCalGas.

In addition, this submission responds to the three recommendations from Energy Safety's decision on SDG&E's 2025 Executive Compensation Structure Submission as follows:

Recommendation #1: Level of Safety Incentive – In its 2026 filing, SDG&E must describe how it is modifying its long-term incentive compensation to include safety, or increasing wildfire safety weighting within its STIP, or both, to increase the safety component of its executive incentive compensation.

SDG&E was finalizing its 2026 incentive compensation plan (ICP, analogous to STIP) metrics when Energy Safety issued its decision on SDG&E's 2025 Executive Compensation Structure on December 29, 2025. Given the timing, SDG&E did not make any modifications for 2026 with respect to Recommendation 1. SDG&E will consider this recommendation when developing its 2027 incentive plans. SDG&E understands that this recommendation responds to requirements that are applicable to Pacific Gas and Electric (PG&E), however, SDG&E is not subject to the same requirements. In accordance with AB 1054 SDG&E's incentive plans are already designed to promote safety and operational excellence, as previously recognized by Energy Safety and discussed below:

- **ICP/STIP** – Safety is SDG&E's highest priority, as reflected in the 57% weighting assigned to safety-related metrics in the 2026 executive ICP. The ICP also includes metrics related to reliability, customer service, organizational culture, efficiency and affordability, and financial health, helping ensure a balanced focus on operational excellence and financial health. Safety metrics encompass wildfire safety, gas safety, employee safety, and cybersecurity. Wildfire safety represents the largest safety category and accounts for 20% of the total target ICP opportunity. Gas safety, employee safety, and cybersecurity metrics are weighted at 15%, 18%, and 4%, respectively.

- **LTIP** – SDG&E executives participate in the Sempra LTIP, which incorporates enterprise-wide performance measures applicable to leaders across both the Sempra corporate center and its operating companies. LTIP performance measures are approved by the Compensation and Talent Development Committee of Sempra's Board of Directors. The LTIP metrics are tied to financial and stock performance, which is inexorably tied to company safety performance, as well as overall customer satisfaction, engagement, and welfare. If the company experiences an adverse safety event, it will likely adversely impact financial and stock performance – thus reducing the value of overall long-term compensation. This is illustrated by the financial performance of PG&E, whose stock was at an all-time high in 2017 prior to a drop after the 2018 wildfires.

<u>Recommendation #2: Workforce Engagement in Safety Event Reporting – Energy Safety recommends that SDG&E include targets for measurable improvement in the volume of workforce near-miss reports as a component of its executive incentive compensation structure.</u>

In 2026, SDG&E adjusted its company-wide near miss goal from "number of near misses reported" to "percentage of actionable near misses timely completed" with a target of 90% completion. The intent is to incorporate more qualitative measurement of near misses by demonstrating leadership commitment to actionable follow-up and proactive safety improvements.

<u>Recommendation #3: Compensation Withholding Provision – Public Utilities Code section 8389 (e)(4) identifies an approvable executive incentive compensation structure as "structured to promote safety as a priority and to ensure public safety and utility financial stability" may include "denying all incentive compensation in the event the electrical corporation causes a catastrophic wildfire that results in one or more fatalities. Energy Safety recommends that SDG&E follow the example of PG&E and BVES to develop a policy that creates a presumption that would withhold a material portion of incentive compensation in this circumstance."</u>

The 2026 Guidelines encourage electrical corporations other than PG&E to review and consider adopting the executive compensation requirements that apply to PG&E pursuant to the final decision approving PG&E's reorganization plan (D.20-05-053), which obligated PG&E to comply with the requirements proposed in ACR Executive Compensation Proposal 9 ("ACR-9"). SDG&E has reviewed these executive compensation requirements for PG&E. As explained below, while SDG&E is under no obligation to comply or adhere to the requirements of ACR-9, the intent and substance of SDG&E's executive compensation structure align with most of the ACR-9 requirements. Since 2020, SDG&E has also adopted additional practices described in ACR-9, including the retention of an independent compensation consultant in 2023.

To the extent that SDG&E's executive compensation program differs from ACR-9, the features of SDG&E's program reflect the independent judgment and discretion of SDG&E's Board of Directors, as well as the Board's Safety Committee and Compensation Committee. This discretion includes the possibility of withholding executive compensation in the event of a significant safety event, consistent with the language of Public Utilities Code Section 8389(a)(4). As Energy Safety has recognized since the passage of Assembly Bill 1054, SDG&E's executive compensation structure complies with the requirements of Public Utilities Code Section 8389, promotes safety as a priority, and helps ensure public safety and utility financial stability.

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Please contact me if you have any questions or concerns regarding this submission.

Respectfully submitted,

/s/ Laura M. Fulton
Attorney for
San Diego Gas and
Electric Company

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Section 1.1: Incentive Compensation Components

Rationale: For the issuance of a Certificate, Public Utilities Code section 8389(a)(4) requires that electrical corporations' executive incentive compensation structures include "incentive compensation based on meeting performance metrics that are measurable and enforceable, for all executive officers...." To evaluate an electrical corporation's compliance with this requirement, Energy Safety must know: (a) who are the electrical corporation's executive officers and (b) what incentive compensation structure exists.

Definition: "Executive officer" is defined in Public Utilities Code section 451.5(c) and "means any person who performs policy making functions and is employed by the public utility subject to the approval of the board of directors, and includes the president, secretary, treasurer, and any vice president in charge of a principal business unit, division, or function of the public utility." Energy Safety considers divisions or units responsible for electrical operations, gas operations or wildfire-related functions principal business units, divisions, or functions of the public utility.

Instructions: In Table 1.1.1, for each executive officer subject to the executive compensation filing requirements, the electrical corporation must provide the executive title and function, the executive name (if the executive is classified as an Officer of the Company per the Company's website), the target percentage of Short-Term Incentives (STIP) and Long-Term Incentives (LTIP) as a proportion of Total Incentive Compensation (TIC) for the appropriate filing year. See the definition of the proceeding terms in Attachment 2.

For the purpose of calculating the percentage of TIC, use the grant value of the compensation as determined for accounting purposes. Grant value is the value that is disclosed in proxy statement summary compensation tables for executive officers who are proxy officers. Percentages must be specified for each executive officer and not a range for various position levels.

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Table 1.1.1
Incentive Compensation at the Target Level

Executive Title/ Function and Name (where applicable)	Target Quarterly STIP as a Percent of TIC	Target Annual STIP as a Percent of TIC[1]	Target Total STIP as a Percent of TIC[1]	Target LTIP as a Percent of TIC[1]
President, Scott Crider	n/a	[redacted]	[redacted]	[redacted]
SVP and Chief Financial Officer, Valerie Bille[2]	n/a	[redacted]	[redacted]	[redacted]
SVP and General Counsel, Robert Borthwick[3]	n/a	[redacted]	[redacted]	[redacted]
Chief Operating Officer, Kevin Geraghty	n/a	[redacted]	[redacted]	[redacted]
VP, Chief Accounting Officer and Controller, Maritza Mekitarian[4]	n/a	[redacted]	[redacted]	[redacted]
Former SVP and General Counsel, Erbin Keith[5]	n/a	[redacted]	[redacted]	[redacted]

[1] Calculations do not include special recognition/retention awards in the form of time-restricted stock-based compensation or cash. Also excludes Chairman's Awards under Sempra's Energy With Purpose program. These awards are made in the sole discretion of SDG&E's parent corporation, Sempra. Chairman's Awards are made under Sempra's Energy With Purpose Awards Policy, which is designed to recognize exemplary performance made by individuals or teams who contribute to Sempra's values and goals and apply to all Sempra employees. These special recognition/retention awards are not a component of the executives' guaranteed or recurring incentive compensation structures and recognition awards are post-performance awards that may be paid outside or after the year(s) of performance. The compensation reported for Ms. Mekitarian and Messrs. Borthwick and Keith reflects their full-year 2026 compensation. For Ms. Mekitarian and Mr. Borthwick, reported compensation includes compensation earned prior to January 31, 2026, when they were not executive officers of SDG&E. For Mr. Keith, reported compensation includes compensation earned after January 30, 2026, when he was no longer an executive officer of SDG&E.
[2] Ms. Bille served as Senior Vice President and Chief Financial Officer of SDGE through January 30, 2026. She was appointed Senior Vice President and Chief Financial Officer of SDG&E and SoCalGas effective January 31, 2026.
[3] Mr. Borthwick was appointed Senior Vice President and General Counsel of SDG&E and SoCalGas effective January 31, 2026.
[4] Ms. Mekitarian was appointed Vice President, Controller, and Chief Accounting Officer of SDG&E effective January 31, 2026.
[5] Mr. Keith served as Senior Vice President and General Counsel of SDG&E through January 30, 2026. Effective January 31, 2026, he was appointed as Senior Vice President and Strategic Counsel of SDG&E, a non-executive officer role.

Instructions: In Table 1.1.2, for each executive officer subject to the executive compensation filing requirements, the electrical corporation must provide the executive title and function, the executive name (if the executive is classified as an Officer of the Company per the Company's website), the target percentage of Base Salary, STIP and LTIP as a proportion of Total Direct Compensation (TDC) for the appropriate filing year. See the definition of the proceeding terms in Attachment 2.

Table 1.1.2
Total Direct Compensation at the Target Level

Executive Title/ Function and Name (where applicable)	Target Base Salary as a Percent of TDC[6]	Target Quarterly STIP as a Percent of TDC	Target Annual STIP as a Percent of TDC[6]	Target LTIP as a Percent of TDC[6]
President, Scott Crider	[redacted]	n/a	[redacted]	[redacted]
SVP and Chief Financial Officer, Valerie Bille	[redacted]	n/a	[redacted]	[redacted]
SVP and General Counsel, Robert Borthwick	[redacted]	n/a	[redacted]	[redacted]
Chief Operating Officer, Kevin Geraghty	[redacted]	n/a	[redacted]	[redacted]
VP, Chief Accounting Officer and Controller, Maritza Mekitarian	[redacted]	n/a	[redacted]	[redacted]
Former SVP and General Counsel, Erbin Keith	[redacted]	n/a	[redacted]	[redacted]

Instructions: In Table 1.1.3, for each executive officer subject to the executive compensation filing requirements, provide the target percentages of quarterly STIP, annual STIP, and LTIP as a percentage of base salary for the appropriate filing year.

Table 1.1.3
Target Incentive Compensation as a Percent of Base Salary

Executive Title/ Function and Name (where applicable)	Target Quarterly STIP as a Percent of Base Salary	Target Annual STIP as a Percent of Base Salary[6]	Target LTIP as a Percent of Base Salary[6]
President, Scott Crider	n/a	[redacted]	[redacted]
SVP and Chief Financial Officer, Valerie Bille	n/a	[redacted]	[redacted]
SVP and General Counsel, Robert Borthwick	n/a	[redacted]	[redacted]
Chief Operating Officer, Kevin Geraghty	n/a	[redacted]	[redacted]
VP, Chief Accounting Officer and Controller, Maritza Mekitarian	n/a	[redacted]	[redacted]
Former SVP and General Counsel, Erbin Keith	n/a	[redacted]	[redacted]

[6] See footnote 1 above.

Section 1.2: Executive Officer Exclusion Rationale

Rationale: For the issuance of a Certificate, Public Utilities Code section 8389(a)(4) requires that electrical corporations' executive incentive compensation structures include "incentive compensation based on meeting performance metrics that are measurable and enforceable, for all executive officers...." To ensure incentive compensation is used for all executive officers, Energy Safety must understand why certain top-level officials do not fit within the definition of "executive officers" as defined in Public Utilities Code section 451.5(c).

Instructions: For the purpose of completing Table 1.2.1, the electrical corporation must include all the positions of the highest three tiers of the executives or officers of the electrical corporation that do not fit within the definition of "executive officers" as defined in Public Utilities Code section 451.5(c). For those positions, the electrical corporation must provide an explanation regarding why the executives holding those positions are not considered "executive officers" as set forth in Public Utilities Code section 451.5(c).

The electrical corporation must include all positions within a tier in the table.

Table 1.2.1
Public Utilities Code Section 451.5(c) Exclusion Rationales

Executive Title / Role	Rationale
Senior Vice President - CIO and Chief Digital Officer	SDG&E has excluded the SVP, as this is not a policy making role and the individual does not perform policy making functions.
Senior Vice President - Chief Regulatory Officer	SDG&E has excluded the SVP, as this is not a policy making role and the individual does not perform policy making functions.
Senior Vice President - Chief Legislative Officer	SDG&E has excluded the SVP, as this is not a policy making role and the individual does not perform policy making functions.
Senior Vice President - Chief Commercial Officer	SDG&E has excluded the SVP, as this is not a policy making role and the individual does not perform policy making functions.
Senior Vice President – Chief Transformation Officer	SDG&E has excluded the SVP, as this is not a policy making role and the individual does not perform policy making functions.
Senior Vice President – Communications and Stakeholder Engagement	SDG&E has excluded the SVP, as this is not a policy making role and the individual does not perform policy making functions.
Senior Vice President – Strategy and Financial Planning and Treasurer	SDG&E has excluded the SVP, as this is not a policy making role and the individual does not perform policy making functions.
Senior Vice President – Chief Systems and Technology Officer	SDG&E has excluded the SVP, as this is not a policy making role and the individual does not perform policy making functions.

1) **Definition of policy making:**

The electrical corporation must explain how the electrical corporation defines policy making for purposes of the inclusion or exclusion of personnel pursuant to Public Utilities Code section 451.5(c) (i.e., what constitutes policy making):

Consistent with Securities and Exchange Commission (SEC) Rule 3b-7, and California Public Utilities Commission precedent interpreting the Rule, SDG&E defines policy making functions as performed by “senior-level management, responsible for policy decisions of the company, and directly answerable to the [utility’s] Board of Directors because their hiring and firing are determined by the Board.” (See 17 C.F.R. § 240.3b-7; D.21-08-036 at 418-419.)

Section 1.3: Short-Term Incentive Program (STIP)

Rationale: For the issuance of a Certificate, Public Utilities Code section 8389(a)(4) requires that electrical corporations' executive incentive compensation structures are "structured to promote safety as a priority and to ensure public safety and utility financial stability with performance metrics, including incentive compensation based on meeting performance metrics that are measurable and enforceable, for all executive officers... ." To ensure that the executive compensation structure for electrical corporation executive officers is structured to promote safety as a priority and ensure public safety and utility financial stability, Energy Safety must have an in-depth understanding of:

- The performance-based components of an executive compensation structure.
- How that structure is promoting safety.
- How effective metrics are in changing safety and financial outcomes.
- How adjustments to metrics are tied to performance.

Instructions: The STIP includes all performance-based compensation awarded on a performance term of less than three years. If the electrical corporation uses more than one short-term incentive mechanism, the electrical corporation must repeat this information for each mechanism (e.g., quarterly, and annually).

Section 1.3.1: STIP Structure

Instructions: The electrical corporation must provide the requested STIP information regarding payment type, triggers, deductions, the use of individual performance modifiers, the use of company performance modifiers, the use of thresholds, targets, and maximums and the associated percentages, and how performance between categories is interpolated.

1) STIP Payment Type (check one):

Cash: ☒ Other: ☐

If other, describe the other type of STIP payment:

2) Use of Any Performance Triggers

a) Does the electrical corporation's STIP for the current year use any non-discretionary performance triggers (e.g., must achieve certain annual earnings per share before any STIP payments are made)? Check one:

Yes: ☒ No: ☐

If "Yes", describe any performance triggers:

If SDG&E's earnings are below minimum, the ICP payout for the Operational Goals other than Safety shall be discretionary as determined by the SDG&E Board of Directors.

b) If this changed from the prior year, explain the reason for the change:

3) Use of Any Automatic, Non-Discretionary Deductions

a) Does the electrical corporation's STIP for the current year include any automatic non-discretionary deductions (e.g., failure to achieve WMP targets results in X% reduction, catastrophic wildfire results in zeroing out all safety metrics)? Check one:

Yes: ☐ No: ☒

If "Yes," describe all automatic, non-discretionary deductions:

b) If this changed from the prior year, explain the reason for the change:

No

4) Use of Any Specifically Defined Discretionary Deductions

a) Does the electrical corporation's STIP for the current year include any defined deductions (e.g., foundational, deduct only goals) that are part of the compensation structure? Check one:

Yes: ☐ No: ☒

If "Yes," describe all specific/defined discretionary deductions that are part of the structure:

b) If this changed from the prior year, explain the reason for the change:

No

5) Use of a Performance Range – Previous Year

a) Were the STIP payouts for the previous year based on a performance range (i.e., below minimum/threshold, minimum/threshold, target, maximum)? Check one:

Yes: ☒ No: ☐

b) Did the electrical corporation use one range for all previous year's STIP metrics or differing ranges based on the category of metric? Check one:

One range for all metrics: ☐ Multiple ranges: ☒

If multiple ranges are used, explain why:

The payout at minimum/threshold performance is 0% for all metrics except the earnings metrics. A 50% payout for earnings at the minimum/threshold level is appropriate based on the earnings goals at the minimum/threshold level.

Provide the previous year's STIP metric performance range(s):

Table 1.3.1
Previous Year STIP Metric Performance Range(s)

Category	Below Minimum	Minimum	Target	Maximum
Wildfire Safety	0%	0%	100%	200%
Other Safety	0%	0%	100%	200%
Security (infrastructure, cyber, etc.)	0%	0%	100%	200%
Customer Service (including reliability)	0%	0%	100%	200%
Environmental, Social, Governance (ESG)	0%	0%	100%	200%
Diversity, Equity, and Inclusion (DEI)	0%	0%	100%	200%
Financial	0%	50%	100%	200%
Financial – Other	0%	0%	100%	200%

c) Describe the interpolation method between categories (e.g., straight line):

Straight line interpolation between minimum and target and between target and maximum.

6) Use of a Performance Range – Current Year

a) Do the STIP payouts for the current year include a performance range (i.e., below minimum/threshold, minimum/threshold, target, maximum)? Check one:

Yes: ☒ No: ☐

b) Is the electrical corporation using one range for all current year's STIP metrics or differing ranges based on the category of metric)? Check one:

One range for all metrics: ☐ Multiple ranges: ☒

If multiple ranges are used, explain why:

The payout at minimum/threshold performance is 0% for all metrics except the earnings metrics. A 50% payout for earnings at the minimum/threshold level is appropriate based on the earnings goals at the minimum/threshold level.

Provide the current year's STIP metric performance range(s):

Table 1.3.2
Current Year STIP Metric Performance Range(s)

Category	Below Minimum	Minimum	Target	Maximum
Wildfire Safety	0%	0%	100%	200%
Workforce Safety	0%	0%	100%	200%
Other Safety	0%	0%	100%	200%
Security (infrastructure, cyber, etc.)	0%	0%	100%	200%
Reliability	0%	0%	100%	200%
Customer Service (including satisfaction)	0%	0%	100%	200%
Other Operational/Improvement	0%	0%	100%	200%
Financial – Earnings	0%	50%	100%	200%
Financial – Other	0%	0%	100%	200%

c) Describe the interpolation method between categories:

Straight line interpolation between minimum and target and between target and maximum.

d) Did the performance range change for any metrics from the previous year to the current year? Check one:

Yes: ☐ No: ☒

If "Yes," describe and quantify the change for each such metric, and explain the reason for the change:

7) Use of Performance Modifiers – Previous Year Actual

a) Did the electrical corporation's STIP for the previous year involve the use of any of the following types of performance modifiers?

Individual Performance Modifier – Previous Year, check one:

Yes: ☐ No: ☒

If "Yes," describe each performance modifiers:

If "Yes," quantify for each executive their individual performance modifiers:

Table 1.3.3
Individual Performance Modifiers – Previous Year Actual

Executive Title/ Function and Name (where applicable)	Increase/ Decrease	Percentage Change	Factors in/Reason for Adjustment (1)
SDG&E did not apply individual performance modifiers in 2025, thus Table 1.3.3 is not applicable.			

(1) Providing the broad category for the 'Factors in/Reasons for the Adjustment' column is sufficient when those reasons are not safety related (e.g., Other Non-Safety Related, Superior Financial Performance, etc.). If the reason for an adjustment is safety and/or WMP related then the reason provided must be specific (e.g., failure to achieve covered conductor installation WMP targets).

b) Did the electrical corporation's STIP for the previous year involve the use of any of the following types of performance modifiers?

Company Performance Modifier – Previous Year, check one:

Yes: ☐ No: ☒

If "Yes," describe and quantify the impact of the company performance modifier:

Board Discretion, check one:

Yes: ☒ No: ☐

If "Yes," describe and quantify the impact of the board's discretion:

The Company retains the discretion and authority to interpret, amend or modify the plan; to grant incentive awards; as well as to terminate, increase or decrease any incentive award opportunity during the performance period; and to reduce or eliminate any incentive awards that would otherwise be payable at the end of the performance period. The Company, in its sole discretion determines the Company Performance results and award calculations. The Company shall require the forfeiture, recovery or reimbursement of awards or compensation under this Plan as (i) required by applicable law, or (ii) required under any policy implemented or maintained by the Company pursuant to any applicable rules or requirements of a national securities exchange or national securities association on which any securities of the Company are listed. The Company reserves the right to recoup compensation paid if it determines that the results on which the compensation was paid were not actually achieved. The SDG&E Board may, in its sole discretion, require the recovery or reimbursement of short-term incentive compensation awards from any employee whose fraudulent or intentional misconduct materially affects the operations or financial results of the Company or its subsidiaries.

Section 1.3.1 Shared Services: STIP Structure

Instructions: The electrical corporation must provide the requested STIP information regarding payment type, triggers, deductions, the use of individual performance modifiers, the use of company performance modifiers, the use of thresholds, targets, and maximums and the associated percentages, and how performance between categories is interpolated.

1) STIP Payment Type (check one):

Cash: ☒ Other: ☐

If other, describe the other type of STIP payment:

2) Use of Any Performance Triggers

a) Does the electrical corporation's STIP for the current year use any non-discretionary performance triggers (e.g., must achieve certain annual earnings per share before any STIP payments are made)? Check one:

Yes: ☒ No: ☐

If "Yes", describe any performance triggers:

If SDG&E's and SCG's earnings are below minimum, the ICP payout for the Operational Goals other than Safety shall be discretionary as determined by the respective SDG&E or SCG Board of Directors.

b) If this changed from the prior year, explain the reason for the change:

3) Use of Any Automatic, Non-Discretionary Deductions

a) Does the electrical corporation's STIP for the current year include any automatic non-discretionary deductions (e.g., failure to achieve WMP targets results in X% reduction, catastrophic wildfire results in zeroing out all safety metrics)? Check one:

Yes: ☐ No: ☒

If "Yes," describe all automatic, non-discretionary deductions:

b) If this changed from the prior year, explain the reason for the change:

No

4) Use of Any Specifically Defined Discretionary Deductions

a) Does the electrical corporation's STIP for the current year include any defined deductions (e.g., foundational, deduct only goals) that are part of the compensation structure? Check one:

Yes: ☐ No: ☒

If "Yes," describe all specific/defined discretionary deductions that are part of the structure:

b) If this changed from the prior year, explain the reason for the change:

No

5) Use of a Performance Range – Previous Year

a) Were the STIP payouts for the previous year based on a performance range (i.e., below minimum/threshold, minimum/threshold, target, maximum)? Check one:

Yes: ☒ No: ☐

b) Did the electrical corporation use one range for all previous year's STIP metrics or differing ranges based on the category of metric? Check one:

One range for all metrics: ☐ Multiple ranges: ☒

If multiple ranges are used, explain why:

The payout at minimum/threshold performance is 0% for all metrics except the earnings metrics. A 50% payout for earnings at the minimum/threshold level is appropriate based on the earnings goals at the minimum/threshold level.

Provide the previous year's STIP metric performance range(s):

Table 1.3.1 Shared Services
Previous Year STIP Metric Performance Range(s)

Category	Below Minimum	Minimum	Target	Maximum
Wildfire Safety	0%	0%	100%	200%
Other Safety	0%	0%	100%	200%
Security (infrastructure, cyber, etc.)	0%	0%	100%	200%
Customer Service (including reliability)	0%	0%	100%	200%
Environmental, Social, Governance (ESG)	0%	0%	100%	200%
Diversity, Equity, and Inclusion (DEI)	0%	0%	100%	200%
Financial – Earnings	0%	50%	100%	200%
Financial – Other	0%	0%	100%	200%

c) Describe the interpolation method between categories (e.g., straight line):

Straight line interpolation between minimum and target and between target and maximum.

6) Use of a Performance Range – Current Year

a) Do the STIP payouts for the current year include a performance range (i.e., below minimum/threshold, minimum/threshold, target, maximum)? Check one:

Yes: ☒ No: ☐

b) Is the electrical corporation using one range for all current year's STIP metrics or differing ranges based on the category of metric)? Check one:

One range for all metrics: ☐ Multiple ranges: ☒

If multiple ranges are used, explain why:

The payout at minimum/threshold performance is 0% for all metrics except the earnings metrics. A 50% payout for earnings at the minimum/threshold level is appropriate based on the earnings goals at the minimum/threshold level.

Provide the current year's STIP metric performance range(s):

Table 1.3.2 Shared Services
Current Year STIP Metric Performance Range(s)

Category	Below Minimum	Minimum	Target	Maximum
Wildfire Safety	0%	0%	100%	200%
Workforce Safety	0%	0%	100%	200%
Other Safety	0%	0%	100%	200%
Security (infrastructure, cyber, etc.)	0%	0%	100%	200%
Reliability	0%	0%	100%	200%
Customer Service (including satisfaction)	0%	0%	100%	200%
Other Operational/Improvement	0%	0%	100%	200%
Financial – Earnings	0%	50%	100%	200%
Financial – Other	0%	0%	100%	200%

c) Describe the interpolation method between categories:

Straight line interpolation between minimum and target and between target and maximum.

d) Did the performance range change for any metrics from the previous year to the current year? Check one:

Yes: ☐ No: ☒

If "Yes," describe and quantify the change for each such metric, and explain the reason for the change:

7) Use of Performance Modifiers – Previous Year Actual

a) Did the electrical corporation's STIP for the previous year involve the use of any of the following types of performance modifiers?

Individual Performance Modifier – Previous Year, check one:

Yes: ☐ No: ☒

If "Yes," describe each performance modifiers:

If “Yes,” quantify for each executive their individual performance modifiers:

Table 1.3.3 Shared Services
Individual Performance Modifiers – Previous Year Actual

Executive Title/ Function and Name (where applicable)	Increase/ Decrease	Percentage Change	Factors in/Reason for Adjustment (1)
SDG&E and SCG did not apply individual performance modifiers in 2025, thus Table 1.3.3 Shared Services is not applicable.			

(1) Providing the broad category for the ‘Factors in/Reasons for the Adjustment’ column is sufficient when those reasons are not safety related (e.g., Other Non-Safety Related, Superior Financial Performance, etc.). If the reason for an adjustment is safety and/or WMP related then the reason provided must be specific (e.g., failure to achieve covered conductor installation WMP targets).

b) Did the electrical corporation’s STIP for the previous year involve the use of any of the following types of performance modifiers?

Company Performance Modifier – Previous Year, check one:

Yes: ☐ No: ☒

If “Yes,” describe and quantify the impact of the company performance modifier:

Board Discretion, check one:

Yes: ☒ No: ☐

If “Yes,” describe and quantify the impact of the board’s discretion:

The Company retains the discretion and authority to interpret, amend or modify the plan; to grant incentive awards; as well as to terminate, increase or decrease any incentive award opportunity during the performance period; and to reduce or eliminate any incentive awards that would otherwise be payable at the end of the performance period. The Company, in its sole discretion determines the Company Performance results and award calculations. The Company shall require the forfeiture, recovery or reimbursement of awards or compensation under this Plan as (i) required by applicable law, or (ii) required under any policy implemented or maintained by the Company pursuant to any applicable rules or requirements of a national securities exchange or national securities association on which any securities of the Company are listed. The Company reserves the right to recoup compensation paid if it determines that the results on which the compensation was paid were not actually achieved. The SDG&E Board may, in its sole discretion, require the recovery or reimbursement of short-term incentive compensation awards from any employee whose fraudulent or intentional misconduct materially affects the operations or financial results of the Company or its subsidiaries.

Section 1.3.2: Previous Year STIP Metrics – Minimum, Target, Maximum and Actual

Instructions: Complete Table 1.3.4 for the previous year's STIP metrics, adding rows as necessary. See Attachment 3 for a discussion of categories and sub-categories.

Table 1.3.4
Previous Year STIP – Minimum, Target and Maximum Versus Actual

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Actual Performance	Weighted Contribution
Wildfire Safety	Wildfire Mitigation Metrics, Performance/Goal Achievement, and Compliance/Adherence	Wildfire & PSPS System Hardening	Leading	5%	70	85	100	88.20	6.07%
Wildfire Safety	Wildfire Mitigation Metrics, Performance/Goal Achievement, and Compliance/Adherence	Vegetation Contacts in HFTD with High FPI	Lagging/ Outcome	5%	10	6	2	1	10.00%
Wildfire Safety	Wildfire Mitigation Metrics, Performance/Goal Achievement, and Compliance/Adherence	PSPS Average Circuit Restoration Time (Hours)	Lagging/ Outcome	5%	11	9	7	3.38	10.00%
Wildfire Safety	Wildfire Mitigation Metrics, Performance/Goal Achievement, and Compliance/Adherence	Electric Overhead Fault Rate	Leading	5%	1.45	0.9	0.62	0.63	9.82%
Subtotal: Wildfire Safety				**20%**					**35.89%**
Other Safety	Public Safety-Gas	Gas Integrity Management	Lagging/ Outcome	5%	7	8	9	9.16	10.00%

Redacted

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Actual Performance	Weighted Contribution
Other Safety	Public Safety-Gas	Damage Prevention (Damages per USA ticket rate)	Lagging/ Outcome	5%	1.32	1.25	1.2	1.18	10.00%
Other Safety	Emergency Response	P1 Gas Response Time (Minutes)	Lagging/ Outcome	5%	31	29	28	26.81	10.00%
Other Safety	Workforce Safety (employee and contractor)	Lost Time Incident (LTI) Rate	Lagging/ Outcome	5%	0.48	0.38	0.28	0.18	10.00%
Other Safety	Workforce Safety (employee and contractor)	Driving Observations (percent)	Leading	3%	80%	90%	100%	100%	6.00%
Other Safety	Workforce Safety (employee and contractor)	Field Safety Engagements	Leading	5%	50	100	150	166	10.00%
Other Safety	Workforce Safety (employee and contractor)	Near Misses Reported	Leading	5%	325	375	425	445	10.00%
Subtotal: Other Safety				**33%**					**66.00%**
Security (infrastructure, cyber, etc.)		Cyber Safety	Leading	4%	6%	5%	4%	1.40%	8.00%
Subtotal: Security				**4%**					**8.00%**
Customer Service (including reliability)	Reliability	System Average Interruption Duration Index (SAIDI)	Lagging/ Outcome	3%	72	69	66	56.56	6.00%
Customer Service (including reliability)	Reliability	Customer Service Value	Lagging/ Outcome	4%	80%	100%	120%	120%	8.00%
Subtotal: Customer Service				**7%**					**14.00%**
Environmental,		Clean Energy	Leading	3%	1	2	3	3	6.00%

Redacted

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Actual Performance	Weighted Contribution
Social, Governance (ESG)		Transition Projects							
Subtotal: ESG				**3%**					**6.00%**
Diversity, Equity and Inclusion (DEI)		Advancing Organizational Culture	Leading	3%	1	2	3	2	3.00%
Diversity, Equity and Inclusion (DEI)		Community Relations: Employee Volunteerism	Leading	3%	9,000	9,500	10,000	15,898	6.00%
Subtotal: DEI				**6%**					**9.00%**
Financial		SRE Earnings	Lagging/ Outcome	7%	2,621	2,912	3,203	3,154	12.82%
Financial		SDG&E Earnings	Lagging/ Outcome	17%	952	987	1,022	1,048	34.00%
Financial		SDG&E Balance Sheet	Lagging/ Outcome	3%	1	2	3	3	6.00%
Subtotal: Financial				**27%**					**52.87%**
Total				**100%**					**191.71%**

Redacted

Section 1.3.2 Shared Services: Previous Year STIP Metrics – Minimum, Target, Maximum and Actual

Instructions: Complete Table 1.3.4 for the previous year's STIP metrics, adding rows as necessary. See Attachment 3 for a discussion of categories and sub-categories.

Table 1.3.4 Shared Services
Previous Year STIP – Minimum, Target and Maximum Versus Actual

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Actual Performance	Weighted Contribution
Wildfire Safety	Wildfire Mitigation Metrics, Performance/Goal Achievement, and Compliance/Adherence	Wildfire & PSPS System Hardening	Leading	5%	70	85	100	88.20	6.07%
Wildfire Safety	Wildfire Mitigation Metrics, Performance/Goal Achievement, and Compliance/Adherence	Vegetation Contacts in HFTD with High FPI	Lagging/ Outcome	5%	10	6	2	1	10.00%
Wildfire Safety	Wildfire Mitigation Metrics, Performance/Goal Achievement, and Compliance/Adherence	PSPS Average Circuit Restoration Time (Hours)	Lagging/ Outcome	5%	11	9	7	3.38	10.00%
Wildfire Safety	Wildfire Mitigation Metrics, Performance/Goal Achievement, and Compliance/Adherence	Electric Overhead Fault Rate	Leading	5%	1.45	0.9	0.62	0.63	9.82%
Subtotal: Wildfire Safety				**20%**					**35.89%**
Other Safety	Public Safety-Gas	Gas Integrity Management	Lagging/ Outcome	5%	7	8	9	9.16	10.00%
Other Safety	Public Safety-Gas	Damage	Lagging/	5%	1.32	1.25	1.2	1.18	10.00%

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Actual Performance	Weighted Contribution
		Prevention (Damages per USA ticket rate)	Outcome						
Other Safety	Emergency Response	P1 Gas Response Time (Minutes)	Lagging/ Outcome	5%	31	29	28	26.81	10.00%
Other Safety	Workforce Safety (employee and contractor)	Lost Time Incident (LTI) Rate	Lagging/ Outcome	5%	0.48	0.38	0.28	0.18	10.00%
Other Safety	Workforce Safety (employee and contractor)	Driving Observations (percent)	Leading	3%	80%	90%	100%	100%	6.00%
Other Safety	Workforce Safety (employee and contractor)	Field Safety Engagements	Leading	5%	50	100	150	166	10.00%
Other Safety	Workforce Safety (employee and contractor)	Near Misses Reported	Leading	5%	325	375	425	445	10.00%
Subtotal: Other Safety				**33%**					**66.00%**
Security (infrastructure, cyber, etc.)		Cyber Safety	Leading	4%	6%	5%	4%	1.40%	8.00%
Subtotal: Security				**4%**					**8.00%**
Customer Service (including reliability)	Reliability	System Average Interruption Duration Index (SAIDI)	Lagging/ Outcome	3%	72	69	66	56.56	6.00%
Customer Service (including reliability)	Reliability	Customer Service Value	Lagging/ Outcome	4%	80%	100%	120%	120%	8.00%
Subtotal: Customer Service				**7%**					**14.00%**
Environmental, Social,		Clean Energy Transition	Leading	3%	1	2	3	3	6.00%

Redacted

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Actual Performance	Weighted Contribution
Governance (ESG)		Projects							
Subtotal: ESG				**3%**					**6.00%**
Diversity, Equity and Inclusion (DEI)		Advancing Organizational Culture	Leading	3%	1	2	3	2	3.00%
Diversity, Equity and Inclusion (DEI)		Community Relations: Employee Volunteerism	Leading	3%	9,000	9,500	10,000	15,898	6.00%
Subtotal: DEI				**6%**					**9.00%**
Financial		SRE Earnings	Lagging/ Outcome	7%	2,621	2,912	3,203	3,154	12.82%
Financial		SDG&E Earnings	Lagging/ Outcome	17%	952	987	1,022	1,048	34.00%
Financial		SDG&E Balance Sheet	Lagging/ Outcome	3%	1	2	3	3	6.00%
Subtotal: Financial				**27%**					**52.87%**
Total – SDG&E				**100%**					**191.71%**
Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Actual Performance	Weighted Contribution
Other Safety	Workforce Safety (employee and contractor)	Lost Time Incident Rate	Lagging/ Outcome	4%	0.68	0.60	0.50	0.89	0.00%
Other Safety	Workforce Safety (employee and contractor)	Safety Observation Rate	Leading	4%	90%	95%	100%	100%	8.00%
Other Safety	Workforce Safety (employee and contractor)	Driving Observation Rate	Leading	4%	90%	95%	100%	100%	8.00%
Subtotal: Other Safety	**Workforce Safety (employee and contractor)**			**12%**					**16.00%**

Redacted

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Actual Performance	Weighted Contribution
Other Safety	Public Safety-Gas	A1 Gas Leak Order Response Time	Leading	6%	93.0%	93.5%	93.7%	94.9%	12.00%
Other Safety	Public Safety-Gas	Damage Prevention (Damages per USA ticket rate)	Lagging/ Outcome	6%	2.37	2.15	2.04	2.05	11.45%
Other Safety	Public Safety-Gas	Gas System Methane Emissions Reductions - Percent of planned high-pressure blowdown events releasing less than or equal to 600,000 MCF and achieve at least 95% emission reduction per event	Lagging/ Outcome	6%	85%	90%	95%	98%	12.00%
Other Safety	Public Safety-Gas	Gas Transmission Safety - Number of Pipeline Valve Retrofit Projects	Leading	6%	15	29	25	22	8.40%
Other Safety	Public Safety-Gas	Distribution Integrity Management Program (DIMP) - Vintage Integrity Program - Miles of Vintage Mains and Services	Leading	6%	55	60	65	63	9.60%

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Actual Performance	Weighted Contribution
		Replaced							
Other Safety	Public Safety-Gas	Average Age of Leak Inventory at Year-End	Lagging/ Outcome	6%	8.0 Months Average	7.5 Months Average	7.0 Months Average	7.16 Months	10.08%
Subtotal: Other Safety	**Public Safety-Gas**			**36%**					**63.53%**
Security (infrastructure, cyber, etc.)		Cybersecurity - Achieve a 5% or lower failure rate in cyber safety tests	Leading	2%	6%	5%	4%	0.9%	4.00%
Subtotal: Security				**2%**					**4.00%**
Other Safety	Workforce Safety (employee and contractor)	Executive/Director Complete and Document Field / Desk Rides (Expressed as % of Leadership Team)	Leading	4%	90%	95%	100%	100%	8.00%
Other Safety	Workforce Safety (employee and contractor)	Improvement in API SMS assessment using the 2020/2021 maturity assessment as a baseline	Leading	3%	2 elements	4 elements	6 elements	8 elements	6.00%
Other Safety	Workforce Safety (employee and contractor)	Number of non-anonymous near miss/stop the job/good catch reports submitted	Leading	4%	1,000	1,100	1,200	3,107	8.00%
Subtotal: Other	**Workforce Safety**			**11%**					**22.00%**

Redacted

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Actual Performance	Weighted Contribution
Safety	**(employee and contractor)**								
Environmental, Social, Governance (ESG)		Execute Clean Energy Transition Plan Projects	Lagging/ Outcome	3%	1 Project	2 Project s	3 Projects	4 Projects	6.00%
Environmental, Social, Governance (ESG)		Progress toward 2030 Renewable Natural Gas goal	Leading	2%	1 Contra ct	2 Contra cts	4 Contract s	2 Contracts	2.00%
Subtotal: ESG				**5%**					**8.00%**
Customer Service (including reliability)		Touchpoint Action Program (TAP): Ease of Doing Business with SoCalGas	Lagging/ Outcome	2%	48.4	51.9	55.4	54.0	3.20%
Customer Service (including reliability)		New Business Customer Experience:	Lagging/ Outcome	2%	55.65%	61.15%	66.65%	81.15%	4.00%
Subtotal: Customer Service (including reliability)				**4%**					**7.20%**
Diversity, Equity and Inclusion (DEI)		Employee and Community Engagement	Lagging/ Outcome	3%	1 action items	2 action items	3 action items	2 action items	3.00%
Subtotal: DEI				**3%**					**3.00%**
Financial		SRE Earnings	Lagging/ Outcome	7%	2,621	2,912	3,203	3,154	12.82%
Financial		SoCalGas Earnings	Lagging/ Outcome	17%	830	860	890	880	28.33%
Financial		Balance Sheet Health	Lagging/ Outcome	3%	1	2	3	3	6.00%

Redacted

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Actual Performance	Weighted Contribution
Subtotal: Financial				**27%**					**47.15%**
Total - SCG				**100%**					**170.88%**

Notes/Context:

Shaded cells (grey) indicate performance measures tied to the SCG ICP plan.

Section 1.3.3: Current Year STIP Metrics- Minimum, Target, and Maximum

Instructions: The electrical corporation must complete Table 1.3.5 for the current year's STIP. The electrical corporation must provide details of the STIP metrics and minimum, target and maximum performance values for the filing year. The electrical corporation must categorize wildfire safety metrics separately (with no other metrics) and must include a weighting. The electrical corporation may add additional rows as needed.

Table 1.3.5
Current Year STIP Metrics

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Weighted Contribution
Wildfire Safety	Wildfire Mitigation Metrics	Wildfire & PSPS System Hardening	Leading	5%	58	69	80	N/A
Wildfire Safety	Wildfire Mitigation Metrics	Vegetation Contacts in HFTD with High FPI	Lagging/ Outcome	5%	10	6	2	N/A
Wildfire Safety	Wildfire Mitigation Metrics	PSPS Average Circuit Restoration Time (Hours)	Lagging/ Outcome	5%	11	8	5	N/A
Wildfire Safety	Wildfire Mitigation Metrics	Electric Overhead Fault Rate	Leading	5%	1.45	0.90	0.62	N/A
Subtotal: Wildfire Safety				**20%**				
Other Safety	Public Safety- Gas	Gas Integrity Management	Leading	5%	3.5	4.5	5.5	N/A
Other Safety	Public Safety- Gas	Damage Prevention (Damages per USA ticket rate)	Lagging/ Outcome	5%	1.25	1.19	1.17	N/A

Redacted

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Weighted Contribution
Other Safety	Emergency Response	P1 Gas Response Time (Minutes)	Lagging/ Outcome	5%	30.5	28.5	26.5	N/A
Other Safety	Workforce Safety (employee and contractor)	Lost Time Incident (LTI) Rate	Lagging/ Outcome	5%	0.48	0.33	0.18	N/A
Other Safety	Workforce Safety (employee and contractor)	Driving Observations (percent)	Leading	3%	90%	95%	100%	N/A
Other Safety	Workforce Safety (employee and contractor)	Field Safety Engagements	Leading	5%	100	150	200	N/A
Other Safety	Workforce Safety (employee and contractor)	Near Misses Reported	Leading	5%	80	90	95	N/A
Subtotal: Other Safety				**33%**				
Security (infrastructure, cyber, etc.)		Cyber Safety	Leading	4%	2.9%	2.0%	1.1%	N/A
Subtotal: Security				**4%**				
Reliability		System Average Interruption Duration Index (SAIDI)	Lagging/ Outcome	3%	78	67	56	N/A
Customer		Customer	Leading	4%	80%	100%	120%	N/A

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Weighted Contribution
Service (including reliability)		Service Value						
Subtotal: Customer Service				**7%**				
Other Operational/Improvement		Business and Technological Transformation	Leading	5%	1	2	3	N/A
Other Operational/Improvement		Advancing Organizational Culture	Leading	4%	1	2	3	N/A
Subtotal: DEI				**9%**				
Financial	Earnings	SRE Earnings	Lagging/ Outcome	7%	3,042	3,307	3,572	N/A
Financial	Earnings	SDG&E Earnings	Lagging/ Outcome	17%	1,048	1,103	1,142	N/A
Financial	Other	SDG&E Balance Sheet	Lagging/ Outcome	3%	1	2	3	N/A
Subtotal: Financial				**27%**				
Total				**100%**				

Notes/Context:

SDG&E weights its ICP goals based upon final performance (see Table 1.3.2), and thus it is not currently possible to include the "weighted contribution" to SDG&E's 2026 ICP structure. Not applicable ("N/A") indicates that the Weighted Contribution cannot be calculated until the end of the 2026 STIP plan year. The weighted contribution for each metric will be provided in SDG&E's 2027 Executive Compensation submission.

SDG&E has provided the weight of each metric as required by Energy Safety.

Section 1.3.3 Shared Services: Current Year STIP Metrics- Minimum, Target, and Maximum

Instructions: The electrical corporation must complete Table 1.3.5 for the current year's STIP. The electrical corporation must provide details of the STIP metrics and minimum, target and maximum performance values for the filing year. The electrical corporation must categorize wildfire safety metrics separately (with no other metrics) and must include a weighting. The electrical corporation may add additional rows as needed.

Table 1.3.5 Shared Services
Current Year STIP Metrics

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Weighted Contribution
Wildfire Safety	Wildfire Mitigation Metrics	Wildfire & PSPS System Hardening	Leading	5%	58	69	80	N/A
Wildfire Safety	Wildfire Mitigation Metrics	Vegetation Contacts in HFTD with High FPI	Lagging/ Outcome	5%	10	6	2	N/A
Wildfire Safety	Wildfire Mitigation Metrics	PSPS Average Circuit Restoration Time (Hours)	Lagging/ Outcome	5%	11	8	5	N/A
Wildfire Safety	Wildfire Mitigation Metrics	Electric Overhead Fault Rate	Leading	5%	1.45	0.90	0.62	N/A
Subtotal: Wildfire Safety				**20%**				
Other Safety	Public Safety-Gas	Gas Integrity Management	Leading	5%	3.5	4.5	5.5	N/A
Other Safety	Public Safety-Gas	Damage Prevention (Damages per USA ticket rate)	Lagging/ Outcome	5%	1.25	1.19	1.17	N/A

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Weighted Contribution
Other Safety	Emergency Response	P1 Gas Response Time (Minutes)	Lagging/ Outcome	5%	30.5	28.5	26.5	N/A
Other Safety	Workforce Safety (employee and contractor)	Lost Time Incident (LTI) Rate	Lagging/ Outcome	5%	0.48	0.33	0.18	N/A
Other Safety	Workforce Safety (employee and contractor)	Driving Observations (percent)	Leading	3%	90%	95%	100%	N/A
Other Safety	Workforce Safety (employee and contractor)	Field Safety Engagements	Leading	5%	100	150	200	N/A
Other Safety	Workforce Safety (employee and contractor)	Near Misses Reported	Leading	5%	80	90	95	N/A
Subtotal: Other Safety				**33%**				
Security (infrastructure, cyber, etc.)		Cyber Safety	Leading	4%	2.9%	2.0%	1.1%	N/A
Subtotal: Security				**4%**				
Reliability		System Average Interruption Duration Index (SAIDI)	Lagging/ Outcome	3%	78	67	56	N/A
Customer		Customer	Leading	4%	80%	100%	120%	N/A

Redacted

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Weighted Contribution
Service (including reliability)		Service Value						
Subtotal: Customer Service				**7%**				
Other Operational/ Improvement		Business and Technological Transformation	Leading	5%	1	2	3	N/A
Other Operational/ Improvement		Advancing Organizational Culture	Leading	4%	1	2	3	N/A
Subtotal: DEI				**9%**				
Financial	Earnings	SRE Earnings	Lagging/ Outcome	7%	3,042	3,307	3,572	N/A
Financial	Earnings	SDG&E Earnings	Lagging/ Outcome	17%	1,048	1,103	1,142	N/A
Financial	Other	SDG&E Balance Sheet	Lagging/ Outcome	3%	1	2	3	N/A
Subtotal: Financial				**27%**				
Total – SDG&E				**100%**				**N/A**
Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Weighted Contribution
Other Safety	Emergency Response	A1 Gas Leak Order Response Time	Leading	5%	93%	94%	95%	N/A
Other Safety	Public Safety-Gas	Damage Prevention - Damages per USA Ticket Rate	Lagging/ Outcome	5%	2.26	2.05	1.95	N/A

Redacted

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Weighted Contribution
Other Safety	Public Safety-Gas	Gas System Methane Emissions Reductions - Percent of planned high-pressure blowdown events releasing less than or equal to 500 MCF and achieve at least 97% emission reduction.	Lagging/ Outcome	5%	85%	90%	95%	N/A
Other Safety	Public Safety-Gas	Gas Transmission Safety - Percent Completion of regulatory test/replace requirements	Leading	5%	50%	75%	100%	N/A
Other Safety	Public Safety-Gas	Distribution Integrity Management Program (DIMP) - Percent Completion of Bare Steel Replacement Program (BSRP)	Leading	5%	84%	92%	100%	N/A

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Weighted Contribution
Subtotal: Other Safety				**25%**				
Security		Cybersecurity	Leading	4%	2.9%	2.0%	1.1%	N/A
Subtotal: Security				**4%**				
Other Safety	Workforce Safety (employee and contractor)	Lost Time Incident Rate	Lagging/ Outcome	5%	0.78	0.60	0.42	N/A
Other Safety	Workforce Safety (employee and contractor)	Safety Observation Rate	Leading	5%	90%	95%	100%	N/A
Other Safety	Workforce Safety (employee and contractor)	Driving Observation Rate	Leading	5%	90%	95%	100%	N/A
Other Safety	Workforce Safety (employee and contractor)	Employee impact through WE LEAD base visits and Executive/Director Completed and Documented Field / Desk Rides	Leading	5%	2673	2817	2961	N/A
Other Safety	Workforce Safety (employee and contractor)	Number of near miss/stop the job/good catch reports conforming to	Leading	5%	500	600	700	N/A

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Weighted Contribution
		best practices.						
Subtotal: Other Safety	**Workforce Safety**			**25%**				
Customer Service (including satisfaction)		Touchpoint Action Program (TAP): Ease of Doing Business with SoCalGas	Lagging/ Outcome	4%	51.0	54.5	58.0	N/A
Subtotal: Customer Service				**4%**				
Other Operational/Improvement		Business Transformation	Leading	5%	1 Project	2 Projects	3 Projects	N/A
Other Operational/Improvement		Resiliency/Ready for Tomorrow	Leading	5%	2 Projects	3 Projects	4 Projects	N/A
Other Operational/Improvement		Employee and Community Engagement	Lagging/ Outcome	5%	1 action items	2 action items	3 action items	N/A
Subtotal: Other Operational/Improvement				**15%**				
Financial		Sempra ICP Earnings	Lagging/ Outcome	7%	3042	3307	3572	N/A
Financial		SoCalGas Earnings	Lagging/ Outcome	17%	848	893	924	N/A
Financial		Balance Sheet Health	Lagging/ Outcome	3%	1	2	3	N/A
Subtotal: Financial				**27%**				
Total – SCG				**100%**				**N/A**

Redacted

Notes/Context:

SDG&E and SCG weights its ICP goals based upon final performance (see Table 1.3.2 Shared Services), and thus it is not currently possible to include the "weighted contribution" to SDG&E's and SCG's 2026 ICP structure. Not applicable ("N/A") indicates that the Weighted Contribution cannot be calculated until the end of the 2026 STIP plan year. The weighted contribution for each metric will be provided in SDG&E's 2027 Executive Compensation submission. Shaded cells (grey) indicate performance measures tied to the SCG ICP plan. SDG&E has provided the weight of each metric as required by Energy Safety.

Section 1.3.4: Current Year STIP Metric Definition and Calculation

Instructions: The electrical corporation must provide definitions, whether the metric is leading, lagging or outcome, and calculations for the current year's STIP metrics. For each metric, the electrical corporation must provide a definition of the metric, any adjustments or exclusions, the basis for the definition and the actual calculation such that if Energy Safety requested the source data/inputs, the electrical corporation would be able to derive the reported results. The electrical corporation must provide an explanation of any adjustments or exclusions.

Table 1.3.6
Current Year STIP – Metric Definitions and Calculation

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
Wildfire & PSPS System Hardening	The goal of this program is to mitigate the risk of wildfire and minimize the impact of PSPS either through undergrounding portions of distribution circuits or hardening overhead distribution and transmission systems to known local wind conditions. This goal will be tracked by project managers for the following programs: (1) Strategic Underground, (2) Distribution Overhead Traditional Hardening, and (3) Covered Conductor programs, and Transmission Wood to Steel.	Miles replaced in programs: (1) Strategic Underground, (2) Distribution Overhead Traditional Hardening, and (3) Covered Conductor programs, and Transmission Wood to Steel.	N/A	Yes. WMP.455 (08.02.01) – Miles of covered conductor installation; WMP.473 (08.02.02) – Miles of undergrounding of electric lines and/or equipment; WMP.475 (08.02.05) – Miles of distribution Overhead System Hardening; WMP.543 (08.02.05) – Miles of Traditional overhead hardening; WMP.545 (08.02.05) – Miles of Transmission Overhead Hardening (Distribution Underbuild)

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
Vegetation Contacts in HFTD with High FPI	Annual count of outages on the primary voltage system caused by vegetation contacts within the High Fire Threat District (HFTD) during periods of elevated or extreme fire potential, as defined by SDG&E's Fire Potential Index (FPI).	Number of vegetation contacts in (HFTD) determined to have caused an outage or ignition on primary voltage system during periods of elevated or extreme fire potential, as measured by SDGE's Fire Potential Index (FPI)	N/A	Yes. WMP.494 (9.02) – Detailed Inspections; WMP.508 (9.02) – Detailed Inspections
PSPS Average Circuit Restoration Time (Hours)	Average hours for power restoration after each PSPS de-energization event.	Measured at the circuit level; time begins once the Officer-in-Charge gives approval to begin restoration efforts; a circuit is discounted if damage is found upon patrols. If no PSPS occurs, then the ICP payout will be determined by the completion of: 1) Min – Updated patrol plans are completed for 100% of PSPS circuit segments and SDG&E has made three helicopters available for aerial patrols, as needed, following extreme wind events. 2) Target – Actions under the minimum are completed plus a minimum of three Wildfire Safety Fairs and all EOC responders and all	N/A	Yes. Section 9.10 – N/A

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
		assigned patrollers receive PSPS training. 3) Max – Actions under the minimum and target are completed plus establish partnership with Electric Regional Operations and Wildfire Mitigation to collaborate intaking and processing ideas in the Electric Regional Operations Issues and Opportunities log, identifying issues and opportunities related to wildfire mitigation, engaging the responsible business unit within three months of submittal into the Electric Regional Operations Issues and Opportunities log, and coordinating quarterly status updates.		
Electric Overhead Fault Rate	Measures overhead faults in the High Fire Threat District (HFTD) leading to an interruption of service during elevated threat conditions divided by the number of days per year in the HFTD with elevated threat conditions. In order to count as near misses, these faults must not have caused	Number of overhead faults in HFTD caused by equipment issues leading to interruption of service during elevated threat conditions (measured by FPI), divided by number of days per year in HFTD for which elevated threat conditions exist.	N/A	Yes. Section 8.7 – N/A

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	an ignition and must not be vegetation related. Each fault that caused service interruption will have a record in our Network Management System and a record kept by our Reliability Team.			
Cyber Safety	The 2026 cybersecurity goal focus will be on cyber safety. To build a positive, resilient cyber safety culture, the Company will aim to achieve a 2% or lower failure rate in cyber safety tests for employees and contractors, which align with industry benchmarks.	These tests will include 8 annual social engineering simulations: 5 link-based, 1 data-entry, and 2 attachment-based. The failure rate will be measured based on actual clicks or interactions with simulated phishing attempts and will not include ignored or deleted tests.	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.
Gas Integrity Management	Miles of Tier 1 and Tier 2, Dupont Aldy-A, plastic pipe mains and services replaced from service or abandoned. Reports of the footage retire/replaced by DIMP including material for mains and services will be	Miles of Tier 1 and Tier 2, Dupont Aldy-A, plastic pipe mains and services replaced from service or abandoned.	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives.

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	used to verify the ICP targets.			Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.
Damage Prevention (Damages per USA ticket rate)	The metric "Damage Prevention Rate (per USA ticket)" consists of the number of damages to SDG&E below ground facilities caused by excavation that results in a gas leak and the total number of received USA Ticket transmittals. This is a standard industry metric for measuring operator performance for damage prevention. To calculate this metric, the number of excavation damages is normalized by the number of USA tickets and multiplied by 1,000 to obtain the Damage Prevention Rate (per USA ticket). Normalizing by ticket counts factors in the year-to-year variation in construction and excavation activities that have a direct influence on	Number of damages that cause a gas leak to below ground facilities divided by the number of received USA Ticket transmittals and multiplied by 1,000 to normalize for year-over-year variation.	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	damages. This allows for measurable year-to-year performance, allowing this metric to be used as an indicator for success of risk reduction activities.			
P1 Gas Response Time (Minutes)	The Priority 1 gas emergency response time is the average time it takes either Customer Service Field or Gas Operations to respond to a Priority 1 gas emergency. Targets are based on a review of historical response times adjusted for anomalies (e.g., area odors) and operational performance considerations.	Average time it takes either Customer Service Field or Gas Operations to respond to a Priority 1 gas emergency. Targets are based on a review of historical response times adjusted for anomalies (e.g., area odors) and operational performance considerations.	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.
Lost Time Incident (LTI) Rate	The Lost Time Incident Rate is expressed as the number of Lost Time Incidents (OSHA Recordable Injuries or Illnesses resulting in Days Away from Work), per 100 full-time employees. This measure is calculated using the number of Lost-time Incidents x 200,000 divided	Number of Lost Time Incidents (OSHA Recordable Injuries or Illnesses resulting in Days Away from Work), per 100 full-time employees. This measure is calculated using the number of Lost-time Incidents x 200,000 divided by the Total Hours Worked.	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and

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Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	by the Total Hours Worked. The count of Lost Time Incidents is based on the final year-end OSHA log produced by Employee Care Services. Total Hours Worked are validated at year-end by Employee Care Services.			non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.
Driving Observations (percent)	The percentage of driving observations completed of employees required to drive a company vehicle as part of their job duties or who drive a vehicle more than 3,000 miles a year in the performance of their work. A driving observation is a documented driving observation completed by a supervisor, BBS observer, peer, or other observer. The goal is to complete one ride-along driving observation of each employee in this group during the year.	Number of driving observations of employees who drive a company vehicle in the performance of their job or who drive a vehicle more than 3,000 miles a year in the performance of their work.	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.
Field Safety Engagements	Documented reviews of activities where high-energy hazards are present to ensure the appropriate direct controls are in place to reduce or eliminate exposure and mitigate the	Number of documented safety observations or safety assessments of employees (defined as visit to an employee's or crew's work site in which work is observed, assessed for	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety,

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	risk of serious injuries and fatalities. This leading metric aligns with industry best practices utilizing a standard methodology to conduct High-Energy Control Assessments (HECA), and the EEI Safety Classification and Learning (SCL) Model. Field Safety Engagements are measured as a sum of each documented high-energy exposure assessment completed. The safety department will collaborate with field operations groups to identify, plan, and conduct these high-energy exposure reviews.	compliance with policy and safe practices, feedback provided, and documented with the date of observation and notes on the observation).		customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.
Near Misses Reported	A leading indicator metric in which an employee reports an unplanned event that typically has no injuries, illnesses, or damage but has the potential to do so. Near miss reporting is important in catching hazards before they cause considerable harm. Employees submit near miss events through an SDG&E desktop, mobile application, or otherwise	Number of near misses reported by employees where no injuries or illnesses occurred, but for which one could have easily occurred.		No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports

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Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	captured through approved reporting systems. Where there are identified actionable preventive or corrective actions, a due date for completion of the identified action(s) will be assigned and tracked. The goal will be measured as a percent of reports with preventative/corrective actions scheduled to be completed in the calendar year for which the corrective action was completed.			comprehensive executive accountability and enterprise performance.
System Average Interruption Duration Index (SAIDI)	SDG&E's System Average Interruption Duration Index (SAIDI) is the cumulative outage time (minutes) experienced by the average SDG&E electric customer in a year, and performance will be calculated using data reported as of January 16th with defined exclusion criteria as described in the ICP Report document owned by the Reliability & Asset Strategy team.	Cumulative outage time excluding planned outages, safety shutoffs, load curtailments, major event/elevated FPI days.	There are 4 exclusions that are identified and applied to the data to determine the value for which the annual ICP target is measured up against. The removal of identified dates or events is processed in a specific order to ensure the correct computation of reliability indices. The order is as follows: Planned Outages, Major Event Day (MED), Public Safety Power Shutoff (PSPS), Load Curtailment, and lastly Extreme Fire Potential Index (FPI).	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.

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Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
			1) Planned Outages: All planned outages are excluded. 2) MED: A 2.0 beta method was used to identify Major Event Days and represents the first step in removing qualifying exclusions. For purposes of this report, a 2.0 beta standard deviation is employed calculate the MED threshold by using the computation referenced by the Institute of Electrical and Electronic Engineers (IEEE-1366). Mathematically, the following formula is used to identify the MED threshold value. On current year MED days, the daily MED average for the past 5 years supplements the MED value in the current year. At year-end this 5yr daily average placeholder is updated with the actual year's daily average. 3) PSPS.	

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Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
Customer Service Value	Incentivize operational behaviors and outcomes that are highly correlated with customer satisfaction industry wide. Composite metric consists of: 1) Reduction of Energization Timelines: Reduce energization timelines (RET) for longer and more complex Rule 15 (distribution line extension) and Rule 15/16 (combination service line and distribution line extension) jobs by focusing on reducing time between department handoffs or project phases. Overarching goals are to reduce turndowns, streamline the processes, and consolidate QA/QC across project lifecycle. Measured from Q1-Q4. - Min - 15%, Target - 20%, and Maximum - 25% 2) Average Speed of Answer (ASA): The average wait time in seconds for a customer to speak with a Customer Care Center	ICP calculation weighting: Equal (33 1/3) weight applied to each metric.	Unplanned Outage Notifications is an adjusted value to exclude anomalies (e.g. severe weather, momentary outages, and customers with incorrect contact info or who opted out).	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	agent. Measured from Q1-Q4. - Min - 140 seconds, Target - 100 seconds, and Maximum - 60 seconds 3) Unplanned Outage Notifications + Restorations: The percentage of customers who received an initial outage notification relative to the total number of customers impacted by the outage. Measured from Q1-Q4. - Min - 60%, Target - 70%, and Maximum - 80% ICP calculation weighting: Equal (33 1/3) weight applied to each metric. Customer Service Electrification Timelines is the percentage reduction compared to 2025 timelines. Average Speed of Answer is an adjusted value to exclude anomalies (major uncontrollable events such as weather related, high absenteeism, and IT system outages) exceeding a threshold of 772 sec.			

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	Unplanned Outage Notifications is an adjusted value to exclude anomalies (e.g. severe weather, momentary outages, and customers with incorrect contact info or who opted out).			
Business and Technological Transformation	Incentivize business and technological transformations by executing projects that each reduce costs by at least $500,000. Min = completion of any 1 subgoals, Target = completion of any 2 subgoals, Max = completion of all subgoals. - Single No Lights (SNLT) - Implement changes to limit the number of false SNLT orders through technology enhancements/controls to the website and Virtual Assistant (VA) on SDG&E.com to better filter and identify true customer issues. - Proposed improvements include: - Standardizing the Conversational Interactive	Min = completion of any 1 subgoals, Target = completion of any 2 subgoals, Max = completion of all subgoals.	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	Voice Response (CIVR) to the Virtual Assistant. - Moving from Deterministic (predefined rules and workflows) to Agentic AI enabling the logic agents to identify the problem with increased confidence and issue appropriate actions, determining whether a truck roll is necessary. - Adapting real-time Smart Meter diagnostic integration to inform SNLT order prioritization. - Building content to allow for customer self-service and education to aid in limit of courtesy dispatches. - O&M Reclassification – Truck Stock - Collaborate with Accounting to implement a revised cost-allocation method for truck stock materials. - Transition from 100% O&M treatment to a more accurate split (approximately 75% capital / 25% O&M), aligning material cost allocations			

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	with the nature of the underlying work. - O&M Reclassification – Other - Enhance the accuracy of capital vs. O&M classification for ERO work by continuing the systematic review of jobs that default to O&M, that misuse certain account codes or involve complex accounting scenarios with the goal of reducing the volume of monthly reclassifications. - Implement the review and correction process to additional workstreams which will result in documented savings of $500,000 to SDG&E—including vegetation management, CPD jobs, engineering, and franchise-related activities—to ensure appropriate capitalization and consistent accounting treatment across all identified operational areas.			

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
Advancing Organizational Culture	Incentivize cross-company coordination and prioritization to support inclusion and engagement. This goal includes three action items tied to employee engagement and community service. Completion of 1 is Minimum, 2 is Target, and 3 is Maximum: - Achieve 68% or higher participation rate for the Ethics and Compliance survey among non-represented employees. - Ensure that 90% of Directors have implemented an employee engagement survey action plan, verified by submission and completion at the Director level within the Gallup engagement portal. - Team SDG&E* employee community service volunteer hours in excess of 10,000 hours. To qualify, hours must be submitted through the My Energy platform. *	Min = completion of any 1 subgoals, Target = completion of any 2 subgoals, Max = completion of all subgoals.		No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	Team SDG&E is defined as any SDG&E employee and their guests who volunteer at an SDG&E company-sponsored volunteer project or for any charity that is recognized on SDG&E's giving platform. ICP calculation weighting: Equal (33.3%) weight applied to each metric.			
SRE Earnings	Sempra Earnings are revenue minus expense, less tax. Employees can influence earnings by either increasing revenue or decreasing expenses. Earnings are determined after accounting for the appropriate accrued level of incentive compensation expense.	Revenue minus expense, less tax.	Pre-Defined Adjustments to Sempra Earnings for ICP: - Exclude the impact of any unplanned changes in tax laws or regulations and accounting rule changes, and changes in governmental policies and regulations, including, but not limited to the impact of tariffs. - Exclude certain nonrecurring items at the discretion of the Committee, provided that such items do not have a material adverse impact on the Company's stock price, also as determined by the Compensation Committee. Such items would include but not be limited to: - the pro forma earnings	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
			impact of any acquisition or divestiture to the extent the earnings impact of such acquisition or divestiture or related transaction and integration cost is not included in the Plan earnings target. - Exclude the variance from plan of the foreign exchange gains or losses, net of inflation, including any associated cost of hedging. - Exclude unrealized Mark-to-Market gains or losses. - Exclude gains or losses related to legacy litigation matters. - Exclude 90% of gains or losses related to asset sales and impairments in connection with a sale to the extent the earnings impact of such item is not included in the Plan earnings target. - Exclude items that are required to be excluded from the annual incentive plans under the SDG&E and/or SoCalGas general rate case decisions. - Exclude any earnings	

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
			impact associated with decommissioning of the San Onofre Nuclear Generating Station (SONGS). - Exclude the variance from plan of the liability insurance expense not recoverable through balancing accounts. - Exclude variance from plan of any accelerated amortization or other impacts of the California AB 1054 Wildfire Fund. - Exclude variance to plan of the impact of pending regulatory matters related to the CPUC and FERC Cost of Capital proceedings. - Exclude one-time pension settlement charges and Long-Term Incentive Plan tax windfall or shortfall to the extent such items are not included in the Plan earnings target. - Limit impact of Rabbi trust results (net of deferred compensation) to +/-5% (percentage points) of the Sempra ICP Earnings metric as calculated without such gains or losses, to the	

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
			extend such impacts are not included in the Plan earnings target.	
SDG&E Earnings	SDG&E Earnings (After Interest and Taxes), are earnings we generate primarily from our electric and gas operations after debt financing costs and income taxes. If SDG&E earnings are below minimum, the ICP payout for the Operational Goals, other than Safety, and Individual Performance measures shall be discretionary as determined by the SDG&E Board of Directors.	Earnings generated primarily from electric and gas operations after debt financing costs and income taxes.	Predefined Adjustment to SDG&E Earnings: • Exclude the impact of any unplanned changes in tax laws or regulations, accounting rule changes, and changes in governmental policies and regulations, including, but not limited to the impact of tariffs. • Exclude certain nonrecurring items at the discretion of the SDG&E, provided that such items do not have a material adverse impact on Sempra's stock price, also as determined by the SDG&E Board. Such items would include but not be limited to: ○ other pro forma earnings impact of any acquisition or	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.

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Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
			divestiture to the extent the earnings impact of such acquisition or divestiture or related transaction and integration cost is not included in the SDG&E Plan Earnings target. ○ the aggregate variance to plan greater than $8 million (20% of the target to maximum range of the earnings goal), to the extent such impacts are not included in the Plan Earnings target of pending regulatory matters related to (1) 2024 GRC Track 3 WMP; (2) 2024 GRC Track 3 PSEP; (3) resolution associated with the cap on cost	

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
			per unit for Mobile Home Park program deemed unrecoverable in rates and (4) resolution associated with overhead pool costs deemed unrecoverable in rates; and the related deferral and recognition of return on equity for these programs, to the extent such impacts are not included in the Plan Earnings target. ○ the variance from plan associated with the FERC TO6 outcome. • Exclude 90% of gains or losses related to asset sales and impairments in connection with a sale to the extent the earnings impact of such items is not included in	

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
			the Plan Earnings target. • Exclude items that are required to be excluded from ICP under SDG&E CPUC decisions. • Exclude the following items related to the California AB 1054 and SB 254 Wildfire Fund and Continuation Account: ○ The variance from plan for accelerated amortization or other impacts of the California AB 1054 Wildfire Fund and SB 254 Continuation Account. ○ Any earnings impact of the Wildfire Fund or Continuation Account asset amortization if the expense is adjusted for external reporting purposes. • Exclude the variance	

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
			from plan of the liability insurance expense not recoverable through balancing accounts. • Exclude variance to plan of the impact of pending regulatory matters related to the CPUC Cost of Capital • Exclude gains or losses related to legacy litigation matters. • Exclude any earnings impact associated with decommissioning of the San Onofre Nuclear Generating Station (SONGS). • Exclude one-time pension settlement charges and Long-Term Incentive Plan tax windfall or shortfall to the extent such items are not included in the Plan Earnings target or that are not subject to regulatory balancing. • Exclude the impact of authorized decisions of the board that could impact earnings including, but not limited to, issuing debt or	

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
			preferred stock securities exceeding planned amounts to fund dividends, legal settlements, or other strategic expenses approved by the board. In addition, after year-end close, and at the discretion of the SDG&E Board of Directors, 2026 SDG&E Earnings for ICP purposes may exclude the after-tax effect of the difference between: • The actual and planned Corporate and SoCalGas ICP allocations to SDG&E; and • The actual and planned Corporate and SoCalGas departments' Shared Service charge.	
SDG&E Balance Sheet	The 2026 SDGE Balance Sheet goal is a financial heath goal intended to support enhancing balance sheet strength. Subgoal 1: Reduce the accounts receivable days sales outstanding for the 12	Min = completion of any 1 subgoal, Target = completion of any 2 subgoals, Max = completion of all 3 subgoals.	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives.

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Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	months ending December 31, 2026 over the 12 months ended December 31, 2025 by at least [300 bps]. Subgoal 2: Reduce customer arrears balances > 30 days, including AMP, by at least 10%. Subgoal 3: Improve SDGE's FFO/Debt Credit Metrics over 2025 levels by at least 25 bps for Moody's or S&P (excluding the impact of GRC Track 2 WMP reserve recorded in 2025) or bring FFO-adjusted leverage by at least 0.5x for Fitch (excluding the impact of GRC Track 2 WMP reserve recorded in 2025). Subgoal 4: Achieve successful outcome on at least one of the following pending applications: 2024 GRC Track 3 (PSEP); 2024 GRC Track 3 (WMP); 2024 GRC Petition For Modification; Smart Meter Replacement Project			Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	application; or Palomar Decarbonization Project application. Successful outcome equates to minimal disallowances such that the collar exception on the earnings target does not need to be utilized.			

Section 1.3.4 Shared Services: Current Year STIP Metric Definition and Calculation

Instructions: The electrical corporation must provide definitions, whether the metric is leading, lagging or outcome, and calculations for the current year's STIP metrics. For each metric, the electrical corporation must provide a definition of the metric, any adjustments or exclusions, the basis for the definition and the actual calculation such that if Energy Safety requested the source data/inputs, the electrical corporation would be able to derive the reported results. The electrical corporation must provide an explanation of any adjustments or exclusions.

Table 1.3.6 Shared Services
Current Year STIP – Metric Definitions and Calculation

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
Wildfire & PSPS System Hardening	The goal of this program is to mitigate the risk of wildfire and minimize the impact of PSPS either through undergrounding portions of distribution circuits or hardening overhead distribution and transmission systems to known local wind conditions. This goal will be tracked by project managers for the following programs: (1) Strategic Underground, (2) Distribution Overhead Traditional Hardening, and (3) Covered Conductor programs, and Transmission Wood to Steel.	Miles replaced in programs: (1) Strategic Underground, (2) Distribution Overhead Traditional Hardening, and (3) Covered Conductor programs, and Transmission Wood to Steel.	N/A	Yes. WMP.455 (08.02.01) – Miles of covered conductor installation; WMP.473 (08.02.02) – Miles of undergrounding of electric lines and/or equipment; WMP.475 (08.02.05) – Miles of distribution Overhead System Hardening; WMP.543 (08.02.05) – Miles of Traditional overhead hardening; WMP.545 (08.02.05) – Miles of Transmission Overhead Hardening (Distribution Underbuild)

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
Vegetation Contacts in HFTD with High FPI	Annual count of outages on the primary voltage system caused by vegetation contacts within the High Fire Threat District (HFTD) during periods of elevated or extreme fire potential, as defined by SDG&E's Fire Potential Index (FPI).	Number of vegetation contacts in (HFTD) determined to have caused an outage or ignition on primary voltage system during periods of elevated or extreme fire potential, as measured by SDGE's Fire Potential Index (FPI)	N/A	Yes. WMP.494 (9.02) – Detailed Inspections; WMP.508 (9.02) – Detailed Inspections
PSPS Average Circuit Restoration Time (Hours)	Average hours for power restoration after each PSPS de-energization event.	Measured at the circuit level; time begins once the Officer-in-Charge gives approval to begin restoration efforts; a circuit is discounted if damage is found upon patrols. If no PSPS occurs, then the ICP payout will be determined by the completion of: 1) Min – Updated patrol plans are completed for 100% of PSPS circuit segments and SDG&E has made three helicopters available for aerial patrols, as needed, following extreme wind events. 2) Target – Actions under the minimum are completed plus a minimum of three Wildfire Safety Fairs and all EOC responders and all	N/A	Yes. Section 9.10 – N/A

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
		assigned patrollers receive PSPS training. 3) Max – Actions under the minimum and target are completed plus establish partnership with Electric Regional Operations and Wildfire Mitigation to collaborate intaking and processing ideas in the Electric Regional Operations Issues and Opportunities log, identifying issues and opportunities related to wildfire mitigation, engaging the responsible business unit within three months of submittal into the Electric Regional Operations Issues and Opportunities log, and coordinating quarterly status updates.		
Electric Overhead Fault Rate	Measures overhead faults in the High Fire Threat District (HFTD) leading to an interruption of service during elevated threat conditions divided by the number of days per year in the HFTD with elevated threat conditions. In order to count as near misses, these faults must not have caused	Number of overhead faults in HFTD caused by equipment issues leading to interruption of service during elevated threat conditions (measured by FPI), divided by number of days per year in HFTD for which elevated threat conditions exist.	N/A	Yes. Section 8.7 – N/A

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	an ignition and must not be vegetation related. Each fault that caused service interruption will have a record in our Network Management System and a record kept by our Reliability Team.			
Cyber Safety	The 2026 cybersecurity goal focus will be on cyber safety. To build a positive, resilient cyber safety culture, the Company will aim to achieve a 2% or lower failure rate in cyber safety tests for employees and contractors, which align with industry benchmarks.	These tests will include 8 annual social engineering simulations: 5 link-based, 1 data-entry, and 2 attachment-based. The failure rate will be measured based on actual clicks or interactions with simulated phishing attempts and will not include ignored or deleted tests.	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.
Gas Integrity Management	Miles of Tier 1 and Tier 2, Dupont Aldy-A, plastic pipe mains and services replaced from service or abandoned. Reports of the footage retire/replaced by DIMP including material for mains and services will be	Miles of Tier 1 and Tier 2, Dupont Aldy-A, plastic pipe mains and services replaced from service or abandoned.	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives.

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Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	used to verify the ICP targets.			Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.
Damage Prevention (Damages per USA ticket rate)	The metric "Damage Prevention Rate (per USA ticket)" consists of the number of damages to SDG&E below ground facilities caused by excavation that results in a gas leak and the total number of received USA Ticket transmittals. This is a standard industry metric for measuring operator performance for damage prevention. To calculate this metric, the number of excavation damages is normalized by the number of USA tickets and multiplied by 1,000 to obtain the Damage Prevention Rate (per USA ticket). Normalizing by ticket counts factors in the year-to-year variation in construction and excavation activities that have a direct influence on	Number of damages that cause a gas leak to below ground facilities divided by the number of received USA Ticket transmittals and multiplied by 1,000 to normalize for year-over-year variation.	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	damages. This allows for measurable year-to-year performance, allowing this metric to be used as an indicator for success of risk reduction activities.			
P1 Gas Response Time (Minutes)	The Priority 1 gas emergency response time is the average time it takes either Customer Service Field or Gas Operations to respond to a Priority 1 gas emergency. Targets are based on a review of historical response times adjusted for anomalies (e.g., area odors) and operational performance considerations.	Average time it takes either Customer Service Field or Gas Operations to respond to a Priority 1 gas emergency. Targets are based on a review of historical response times adjusted for anomalies (e.g., area odors) and operational performance considerations.	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.
Lost Time Incident (LTI) Rate	The Lost Time Incident Rate is expressed as the number of Lost Time Incidents (OSHA Recordable Injuries or Illnesses resulting in Days Away from Work), per 100 full-time employees. This measure is calculated using the number of Lost-time Incidents x 200,000 divided	Number of Lost Time Incidents (OSHA Recordable Injuries or Illnesses resulting in Days Away from Work), per 100 full-time employees. This measure is calculated using the number of Lost-time Incidents x 200,000 divided by the Total Hours Worked.	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	by the Total Hours Worked. The count of Lost Time Incidents is based on the final year-end OSHA log produced by Employee Care Services. Total Hours Worked are validated at year-end by Employee Care Services.			non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.
Driving Observations (percent)	The percentage of driving observations completed of employees required to drive a company vehicle as part of their job duties or who drive a vehicle more than 3,000 miles a year in the performance of their work. A driving observation is a documented driving observation completed by a supervisor, BBS observer, peer, or other observer. The goal is to complete one ride-along driving observation of each employee in this group during the year.	Number of driving observations of employees who drive a company vehicle in the performance of their job duties or who drive a vehicle more than 3,000 miles a year in the performance of their work.	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.
Field Safety Engagements	Documented reviews of activities where high-energy hazards are present to ensure the appropriate direct controls are in place to reduce or eliminate exposure and mitigate the	Number of documented safety observations or safety assessments of employees (defined as visit to an employee's or crew's work site in which work is observed, assessed for	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety,

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Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	risk of serious injuries and fatalities. This leading metric aligns with industry best practices utilizing a standard methodology to conduct High-Energy Control Assessments (HECA), and the EEI Safety Classification and Learning (SCL) Model. Field Safety Engagements are measured as a sum of each documented high-energy exposure assessment completed. The safety department will collaborate with field operations groups to identify, plan, and conduct these high-energy exposure reviews.	compliance with policy and safe practices, feedback provided, and documented with the date of observation and notes on the observation).		customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.
Near Misses Reported	A leading indicator metric in which an employee reports an unplanned event that typically has no injuries, illnesses, or damage but has the potential to do so. Near miss reporting is important in catching hazards before they cause considerable harm. Employees submit near miss events through an SDG&E desktop, mobile application, or otherwise	Number of near misses reported by employees where no injuries or illnesses occurred, but for which one could have easily occurred.	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports

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Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	captured through approved reporting systems. Where there are identified actionable preventive or corrective actions, a due date for completion of the identified action(s) will be assigned and tracked. The goal will be measured as a percent of reports with preventative/corrective actions scheduled to be completed in the calendar year for which the corrective action was completed.			comprehensive executive accountability and enterprise performance.
System Average Interruption Duration Index (SAIDI)	SDG&E's System Average Interruption Duration Index (SAIDI) is the cumulative outage time (minutes) experienced by the average SDG&E electric customer in a year, and performance will be calculated using data reported as of January 16th with defined exclusion criteria as described in the ICP Report document owned by the Reliability & Asset Strategy team.	Cumulative outage time excluding planned outages, safety shutoffs, load curtailments, major event/elevated FPI days.	There are 4 exclusions that are identified and applied to the data to determine the value for which the annual ICP target is measured up against. The removal of identified dates or events is processed in a specific order to ensure the correct computation of reliability indices. The order is as follows: Planned Outages, Major Event Day (MED), Public Safety Power Shutoff (PSPS), Load Curtailment, and lastly Extreme Fire Potential Index (FPI).	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
			1) Planned Outages: All planned outages are excluded. 2) MED: A 2.0 beta method was used to identify Major Event Days and represents the first step in removing qualifying exclusions. For purposes of this report, a 2.0 beta standard deviation is employed calculate the MED threshold by using the computation referenced by the Institute of Electrical and Electronic Engineers (IEEE-1366). Mathematically, the following formula is used to identify the MED threshold value. On current year MED days, the daily MED average for the past 5 years supplements the MED value in the current year. At year-end this 5yr daily average placeholder is updated with the actual year's daily average. 3) PSPS.	

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
Customer Service Value	Incentivize operational behaviors and outcomes that are highly correlated with customer satisfaction industry wide. Composite metric consists of: 1) Reduction of Energization Timelines: Reduce energization timelines (RET) for longer and more complex Rule 15 (distribution line extension) and Rule 15/16 (combination service line and distribution line extension) jobs by focusing on reducing time between department handoffs or project phases. Overarching goals are to reduce turndowns, streamline the processes, and consolidate QA/QC across project lifecycle. Measured from Q1-Q4. - Min - 15%, Target - 20%, and Maximum - 25% 2) Average Speed of Answer (ASA): The average wait time in seconds for a customer to speak with a Customer Care Center	ICP calculation weighting: Equal (33 1/3) weight applied to each metric.	Unplanned Outage Notifications is an adjusted value to exclude anomalies (e.g. severe weather, momentary outages, and customers with incorrect contact info or who opted out).	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	agent. Measured from Q1-Q4. - Min - 140 seconds, Target - 100 seconds, and Maximum - 60 seconds 3) Unplanned Outage Notifications + Restorations: The percentage of customers who received an initial outage notification relative to the total number of customers impacted by the outage. Measured from Q1-Q4. - Min - 60%, Target - 70%, and Maximum - 80% ICP calculation weighting: Equal (33 1/3) weight applied to each metric. Customer Service Electrification Timelines is the percentage reduction compared to 2025 timelines. Average Speed of Answer is an adjusted value to exclude anomalies (major uncontrollable events such as weather related, high absenteeism, and IT system outages) exceeding a threshold of 772 sec.			

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	Unplanned Outage Notifications is an adjusted value to exclude anomalies (e.g. severe weather, momentary outages, and customers with incorrect contact info or who opted out).			
Business and Technological Transformation	Incentivize business and technological transformations by executing projects that each reduce costs by at least $500,000. Min = completion of any 1 subgoals, Target = completion of any 2 subgoals, Max = completion of all subgoals. - Single No Lights (SNLT) - Implement changes to limit the number of false SNLT orders through technology enhancements/controls to the website and Virtual Assistant (VA) on SDG&E.com to better filter and identify true customer issues. - Proposed improvements include: - Standardizing the Conversational Interactive	Min = completion of any 1 subgoals, Target = completion of any 2 subgoals, Max = completion of all subgoals.	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	Voice Response (CIVR) to the Virtual Assistant. - Moving from Deterministic (predefined rules and workflows) to Agentic AI enabling the logic agents to identify the problem with increased confidence and issue appropriate actions, determining whether a truck roll is necessary. - Adapting real-time Smart Meter diagnostic integration to inform SNLT order prioritization. - Building content to allow for customer self-service and education to aid in limit of courtesy dispatches. - O&M Reclassification – Truck Stock - Collaborate with Accounting to implement a revised cost-allocation method for truck stock materials. - Transition from 100% O&M treatment to a more accurate split (approximately 75% capital / 25% O&M), aligning material cost allocations			

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	with the nature of the underlying work. - O&M Reclassification – Other - Enhance the accuracy of capital vs. O&M classification for ERO work by continuing the systematic review of jobs that default to O&M, that misuse certain account codes or involve complex accounting scenarios with the goal of reducing the volume of monthly reclassifications. - Implement the review and correction process to additional workstreams which will result in documented savings of $500,000 to SDG&E—including vegetation management, CPD jobs, engineering, and franchise-related activities—to ensure appropriate capitalization and consistent accounting treatment across all identified operational areas.			

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
Advancing Organizational Culture	Incentivize cross-company coordination and prioritization to support inclusion and engagement. This goal includes three action items tied to employee engagement and community service. Completion of 1 is Minimum, 2 is Target, and 3 is Maximum: - Achieve 68% or higher participation rate for the Ethics and Compliance survey among non-represented employees. - Ensure that 90% of Directors have implemented an employee engagement survey action plan, verified by submission and completion at the Director level within the Gallup engagement portal. - Team SDG&E* employee community service volunteer hours in excess of 10,000 hours. To qualify, hours must be submitted through the My Energy platform. *	Min = completion of any 1 subgoals, Target = completion of any 2 subgoals, Max = completion of all subgoals.	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	Team SDG&E is defined as any SDG&E employee and their guests who volunteer at an SDG&E company-sponsored volunteer project or for any charity that is recognized on SDG&E's giving platform. ICP calculation weighting: Equal (33.3%) weight applied to each metric.			
SRE Earnings	Sempra Earnings are revenue minus expense, less tax. Employees can influence earnings by either increasing revenue or decreasing expenses. Earnings are determined after accounting for the appropriate accrued level of incentive compensation expense.	Revenue minus expense, less tax.	Pre-Defined Adjustments to Sempra Earnings for ICP: - Exclude the impact of any unplanned changes in tax laws or regulations and accounting rule changes, and changes in governmental policies and regulations, including, but not limited to the impact of tariffs. - Exclude certain nonrecurring items at the discretion of the Committee, provided that such items do not have a material adverse impact on the Company’s stock price, also as determined by the Compensation Committee. Such items would include but not be limited to: - the pro forma earnings	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.

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Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
			impact of any acquisition or divestiture to the extent the earnings impact of such acquisition or divestiture or related transaction and integration cost is not included in the Plan earnings target. - Exclude the variance from plan of the foreign exchange gains or losses, net of inflation, including any associated cost of hedging. - Exclude unrealized Mark-to-Market gains or losses. - Exclude gains or losses related to legacy litigation matters. - Exclude 90% of gains or losses related to asset sales and impairments in connection with a sale to the extent the earnings impact of such item is not included in the Plan earnings target. - Exclude items that are required to be excluded from the annual incentive plans under the SDG&E and/or SoCalGas general rate case decisions.	

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
			- Exclude any earnings impact associated with decommissioning of the San Onofre Nuclear Generating Station (SONGS). - Exclude the variance from plan of the liability insurance expense not recoverable through balancing accounts. - Exclude variance from plan of any accelerated amortization or other impacts of the California AB 1054 Wildfire Fund. - Exclude variance to plan of the impact of pending regulatory matters related to the CPUC and FERC Cost of Capital proceedings. - Exclude one-time pension settlement charges and Long-Term Incentive Plan tax windfall or shortfall to the extent such items are not included in the Plan earnings target. - Limit impact of Rabbi trust results (net of deferred compensation) to +/-5% (percentage points) of the Sempra ICP Earnings metric as calculated without	

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
			such gains or losses, to the extend such impacts are not included in the Plan earnings target.	
SDG&E Earnings	SDG&E Earnings (After Interest and Taxes), are earnings we generate primarily from our electric and gas operations after debt financing costs and income taxes. If SDG&E earnings are below minimum, the ICP payout for the Operational Goals, other than Safety, and Individual Performance measures shall be discretionary as determined by the SDG&E Board of Directors.	Earnings generated primarily from electric and gas operations after debt financing costs and income taxes.	Predefined Adjustment to SDG&E Earnings: • Exclude the impact of any unplanned changes in tax laws or regulations, accounting rule changes, and changes in governmental policies and regulations, including, but not limited to the impact of tariffs. • Exclude certain nonrecurring items at the discretion of the SDG&E, provided that such items do not have a material adverse impact on Sempra's stock price, also as determined by the SDG&E Board. Such items would include but not be limited to: ○ other pro forma earnings impact of any acquisition or	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.

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Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
			divestiture to the extent the earnings impact of such acquisition or divestiture or related transaction and integration cost is not included in the SDG&E Plan Earnings target. ○ the aggregate variance to plan greater than $8 million (20% of the target to maximum range of the earnings goal), to the extent such impacts are not included in the Plan Earnings target of pending regulatory matters related to (1) 2024 GRC Track 3 WMP; (2) 2024 GRC Track 3 PSEP; (3) resolution associated with the cap on cost	

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
			per unit for Mobile Home Park program deemed unrecoverable in rates and (4) resolution associated with overhead pool costs deemed unrecoverable in rates; and the related deferral and recognition of return on equity for these programs, to the extent such impacts are not included in the Plan Earnings target. ○ the variance from plan associated with the FERC TO6 outcome. • Exclude 90% of gains or losses related to asset sales and impairments in connection with a sale to the extent the earnings impact of such items is not included in	

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
			the Plan Earnings target. • Exclude items that are required to be excluded from ICP under SDG&E CPUC decisions. • Exclude the following items related to the California AB 1054 and SB 254 Wildfire Fund and Continuation Account: ○ The variance from plan for accelerated amortization or other impacts of the California AB 1054 Wildfire Fund and SB 254 Continuation Account. ○ Any earnings impact of the Wildfire Fund or Continuation Account asset amortization if the expense is adjusted for external reporting purposes. • Exclude the variance	

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
			from plan of the liability insurance expense not recoverable through balancing accounts. • Exclude variance to plan of the impact of pending regulatory matters related to the CPUC Cost of Capital • Exclude gains or losses related to legacy litigation matters. • Exclude any earnings impact associated with decommissioning of the San Onofre Nuclear Generating Station (SONGS). • Exclude one-time pension settlement charges and Long-Term Incentive Plan tax windfall or shortfall to the extent such items are not included in the Plan Earnings target or that are not subject to regulatory balancing. • Exclude the impact of authorized decisions of the board that could impact earnings including, but not limited to, issuing debt or	

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Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
			preferred stock securities exceeding planned amounts to fund dividends, legal settlements, or other strategic expenses approved by the board. In addition, after year-end close, and at the discretion of the SDG&E Board of Directors, 2026 SDG&E Earnings for ICP purposes may exclude the after-tax effect of the difference between: • The actual and planned Corporate and SoCalGas ICP allocations to SDG&E; and • The actual and planned Corporate and SoCalGas departments' Shared Service charge.	
SDG&E Balance Sheet	The 2026 SDGE Balance Sheet goal is a financial heath goal intended to support enhancing balance sheet strength. Subgoal 1: Reduce the accounts receivable days sales outstanding for the 12	Min = completion of any 1 subgoal, Target = completion of any 2 subgoals, Max = completion of all 3 subgoals.	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives.

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	months ending December 31, 2026 over the 12 months ended December 31, 2025 by at least [300 bps]. Subgoal 2: Reduce customer arrears balances > 30 days, including AMP, by at least 10%. Subgoal 3: Improve SDGE's FFO/Debt Credit Metrics over 2025 levels by at least 25 bps for Moody's or S&P (excluding the impact of GRC Track 2 WMP reserve recorded in 2025) or bring FFO-adjusted leverage by at least 0.5x for Fitch (excluding the impact of GRC Track 2 WMP reserve recorded in 2025). Subgoal 4: Achieve successful outcome on at least one of the following pending applications: 2024 GRC Track 3 (PSEP); 2024 GRC Track 3 (WMP); 2024 GRC Petition For Modification; Smart Meter Replacement Project			Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.

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Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	application; or Palomar Decarbonization Project application. Successful outcome equates to minimal disallowances such that the collar exception on the earnings target does not need to be utilized.			
Lost Time Incident Rate	Lost Time Incident (LTI) rate is expressed as the number of OSHA recordable incident cases resulting in lost time per 100 employees (rounded to the nearest 1/100). This measure is calculated using the number of OSHA recordable incidents with lost time per 200,000 hours worked.	Number of OSHA recordable incidents with lost time per 200,000 hours worked.	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.
Safety Observation Rate	The safety observation rate is a leading indicator safety metric that counts the number of safety observations of front-line employees. Front-line employees are identified by data provided by human resources. A documented	Number of safety observations of front-line employees	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives.

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	safety observation is defined as a safety observation captured in SAP. The goal is 2 safety observations per employee during the year by a supervisor or peer (aggregated across the entire company, rounded to the nearest whole number percent).			Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.
Driving Observation Rate	The driving observation rate is a leading safety indicator that measures the number of driving observations completed for employees who either operate a company vehicle routinely as part of their job duties or are reimbursed for more than 3,000 miles of driving their personal vehicles for work in the calendar year. To identify employees who require driving observations, job codes are used to identify employees who operate a company vehicle routinely as part of their job duties. The SMS team maintains a list of the job codes. SAP is used to determine employees who are reimbursed for more	The denominator for this metric is the total number of active employees requiring a job observation as defined above as of November 30, 2026. The numerator is the total number of employee driving observations conducted for these employees during the calendar year.	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	than 3,000 miles of driving their personal vehicles for work. - A documented driving observation is defined as a safety observation captured in SAP. - The goal is 1 documented driving observation per employee during the year, with the observation consisting of a ride along by a peer or supervisor (aggregated across the entire company, rounded to the nearest whole number percent) - The denominator for this metric is the total number of active employees requiring a job observation as defined above as of November 30, 2026. The numerator is the total number of employee driving observations conducted for these employees during the calendar year.			

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
A1 Gas Leak Order Response Time	This metric is to measure the effectiveness of response time for Customer Services Field A1 gas leak orders. The operational goal is for Customer Services Field Technicians to respond to A1 gas leak orders within 30 minutes during regular business hours and within 45 minutes outside of regular business hours (regular business hours are defined at 7 am to 5 pm Monday- Saturday, excluding holidays). This goal measures the percentage time that Customer Services Field Technicians meet these criteria. A1 gas leak orders used for this measure exclude area odor orders.	Percentage time that Customer Services Field Technicians meet these criteria.	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.
Damage Prevention - Damages per USA Ticket Rate	The metric “Damages per 1,000 Tickets” consists of the number of damages that cause a gas leak to SoCalGas’ below ground facilities and the total number of received USA Ticket transmittals. This is a standard industry metric for measuring operator	Number of damages that cause a gas leak to SoCalGas’ below ground facilities and the total number of received USA Ticket transmittals.	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	performance for damage prevention.			non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.
Gas System Methane Emissions Reductions - Percent of planned high-pressure blowdown events releasing less than or equal to 500 MCF and achieve at least 97% emission reduction.	Goal objective is to reduce methane emissions associated with venting of high-pressure transmission pipelines during planned gas blowdown events. This metric measures the percentage of planned high-pressure transmission pipeline blowdown events that both vent no more than 500 MCF of gas and achieve at least 97% emissions reduction. The measurement period is January 1 through November 30, 2026. The calculation is the number of qualifying blowdown events divided by the total number of planned high-pressure blowdown events. To qualify, each event must meet both thresholds: (a) vent ≤500 MCF and (b) achieve ≥97% emissions reduction.	Number of qualifying blowdown events divided by the total number of planned high-pressure blowdown events	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.

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Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	Performance thresholds are Minimum 85%, Target 90%, and Maximum 95%. The metric applies only to planned, non-emergency blowdowns and excludes safety-related or emergency events as defined in Gas Standard 223.0155. If multiple projects are bundled into a single blowdown, the total vented amount will be divided by the number of bundled events for evaluation.			
Gas Transmission Safety - Percent Completion of regulatory test/replace requirements	To advance system safety by leveraging pipeline safety portfolios, and to continue advancing towards the Gas Transmission Safety Rule (GTSR) 2028 goal and PSEP progress, this goal measures the percentage of pipeline miles planned, tested, replaced, constructed, or abandoned in accordance with Federal and State compliance requirements to enhance safety of the SoCalGas gas transmission pipeline system. Pipeline miles are counted when the Notice of	Percentage of pipeline miles planned, tested, replaced, constructed, or abandoned. Total 2026 miles equates to 115 miles.	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	Operation (NOP) form is submitted in 2026, or when the 60% design package for GTSR miles planned in 2027 or 2028, is Issued for Review this year. Total 2026 miles equates to 115 miles.			
Distribution Integrity Management Program (DIMP) - Percent Completion of Bare Steel Replacement Program (BSRP)	This metric tracks the annual percent completion in alignment with the 2026 capital budget plan for the Non-State-Of-The-Art (NSOTA) main replacements under the Bare Steel Replacements Program (BSRP) prioritized through Quantitative Risk Assessment (QRA) under the Distribution Integrity Management Program (DIMP). QRA identifies segments that exceed a defined risk threshold, based on PHMSA leak statistics: 6-in-a-million chance of a serious incident, equivalent to 1-in-a-million chance of fatality. High risk segments are categorized into two tiers, as outlined below:	Percent completion in alignment with the 2026 capital budget plan for the Non-State-Of-The-Art (NSOTA) main replacements under the Bare Steel Replacements Program (BSRP) prioritized through Quantitative Risk Assessment (QRA) under the Distribution Integrity Management Program (DIMP)	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	- Tier 1 are segments located in business districts with population density and exceed the risk threshold. - Tier 2 are segments located outside business districts and exceed the risk threshold. Target Rationale: Authorized in the 2024 General Rate Case (GRC), DIMP is responsible for replacing medium-pressure bare steel mains and associated services. Segment prioritization is driven by QRA, focusing on the likelihood of serious incidents and progress is measured by comparing the miles replaced and placed in service (NOP'd) to the maximum target mileage of 41 miles.			
Cybersecurity	Reduce overall failure rate in cyber safety tests for employees and contractors, pursuant to goals that align with industry benchmarks. These tests will include 8 annual social engineering simulations: 5 link-based, 1 data-entry, and 2	These tests will include 8 annual social engineering simulations: 5 link-based, 1 data-entry, and 2 attachment-based. The failure rate will be measured based on actual clicks or interactions with simulated phishing attempts and will	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives.

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	attachment-based. The failure rate will be measured based on actual clicks or interactions with simulated phishing attempts and will not include ignored or deleted tests.	not include ignored or deleted tests.		Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.
Employee impact through WE LEAD base visits and Executive/Director Completed and Documented Field / Desk Rides	This goal advances safety culture through structured engagement between members of the Leadership Team (Officers and Directors) and field-based employees. Two initiatives count toward the goal: (1) SoCalGas WE Lead Executive base visits, and (2) Leadership Team member desk/field rides. Goal is measured by aggregate number of employees participating in these experiences. 2673 is minimum, 2817 is target, 2961 is maximum.	Goal is measured by aggregate number of employees participating in these experiences. 2673 is minimum, 2817 is target, 2961 is maximum.	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.
Number of near miss/stop the job/good catch reports conforming to best practices.	This goal is measured by the total number of reports submitted, with best practices defined as: (1) self-reflective (demonstrating employee insight or personal	To achieve minimum on this target, there must be at least 500 reports. To achieve target, there must be at least 600 reports. To achieve maximum, there	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety,

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	accountability), (2) clearly identify a risk or hazard, (3) non-anonymous, and (4) propose a solution or corrective action. To achieve minimum on this target, there must be at least 500 reports. To achieve target, there must be at least 600 reports. To achieve maximum, there must be at least 700 reports.	must be at least 700 reports.		customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.
Business Transformation	This goal incentivizes timely completion of projects that promote business and operational efficiency through technology innovations, process improvements, and other optimization initiatives. Advancing these projects promotes affordability, safety, sustainability and customer experience. Minimum, target and maximum performance, respectively, are measured by completion of one, two, or three of the following in 2026: 1. Customer Service Field	Min = completion of any 1 subgoals, Target = completion of any 2 subgoals, Max = completion of all subgoals.	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	and Gas Operations Efficiency: Successfully integrate Meter Set Assembly (MSA) Atmospheric Corrosion (ACOR) inspection into Distribution Leak Survey by December 31, 2026. This subgoal is achieved by reducing the total number of individual MSA Inspection/ACOR inspection order visits in 2026 by 1 million from 2025 actuals. 2. Vista: Switch to using the new SAP Customer Information System (CIS) by September 30, 2026. 3. Gas Engineering - Land Services Efficiency: Successfully implement intelligent document AI solution to support cleanup of a historical document repository containing over 120K records. This tool will improve research accuracy and speed, reducing manual cleanup and validation time. It will also create a knowledgebase			

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	that will be used for future AI opportunities. 4. Customer Programs - Rebate Submission Review Efficiency: Implement Agentic AI tool to automate the initial processing stage of rebate submissions. 5. Future Ready Storeroom: Construct and operationalize a fully automated storeroom providing 24/7 access, employee accountability, detailed cost accounting, and real time inventory counts at a SoCalGas facility.			
Resiliency/Ready for Tomorrow	Advance system resiliency strategy through a portfolio of projects that enhance reliability, improve system capacity, and strengthen supply diversity. Achieving 2 initiative meets the minimum, achieving 3 initiatives meets the target, and achieving 4 or more initiatives will meet maximum for this goal.	Achieving 2 initiatives meets the minimum, achieving 3 initiatives meets the target, and achieving 4 or more initiatives will meet maximum for this goal.	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	1. Lines 4003/4004 Project. Project Description: Provide resiliency to Northern System supplies during pipeline outages and to the Southern System when insufficient delivery of supply at Blythe occurs by installing a pipeline from the L235/335/1185 interconnect in Adelanto to Moreno Pressure Limiting Station. ICP Measure: Conduct and document assessment, develop project strategy, and submit proposal to SoCalGas Board to file GO 177 application. 2. Playa Del Rey Inventory Restoration. Project Description: Restore gas storage inventory capacity of the Playa Del Rey Storage Field with a water encroachment mitigation solution through improved performance of liquid removal wells and associated infrastructure/auxiliaries to remove water. ICP Measure: Execute enhanced water production			framework that supports comprehensive executive accountability and enterprise performance.

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	plan. 3. Storage Withdrawal Revitalization. Project Description: Enhance the resiliency of the natural gas system by improving storage capacities to be a more effective source of supply year-round to meet customer demand and backstop shortfalls in interstate pipeline supply. ICP Measure: Develop a project strategy, compile necessary information, and submit a Project Approval request to increase permitted field pressure at Aliso Canyon to applicable state agency, CalGEM. 4. Southern System Reliability Enhancement. Project Description: Improve reliability of supply to the Southern System by installing a pipeline connecting the North/South Needles compressor stations to the Southern System at Blythe. ICP Measure: Conduct and document assessment,			

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	develop project strategy, and submit proposal to SoCalGas Board to file GO 177 application. 5. Advance Composite Repair Program Execution. Project Description: Enhance the efficiency and effectiveness of TIMP Safety Related Condition (SRC) and/or Immediate Repair Condition (IRC) response through the deployment of composite repair technologies. ICP Measure: Execute 3 (three) composite repairs this year. 6. Achieve favorable CPUC decision on microgrid optional tariff.			
Touchpoint Action Program (TAP): Ease of Doing Business with SoCalGas	The Touchpoint Action Program (TAP) measure is based on the following survey question: “Overall, how easy is it to do business with SoCalGas?” Customers select their response from the following 5-point rating scale: 1=Not At All Easy; 2=Not Very Easy; 3=Somewhat Easy; 4=Very Easy; 5=Extremely	The actual metric is referred to as the “Net Score,” and it is calculated taking the percentage of customers that give a ‘5’ rating (known as Promoters) and subtracting the percentage of customers that give a ‘1,’ ‘2,’ or ‘3’ rating (known as Detractors). Net Score = % Promoters	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	Easy. The actual metric is referred to as the "Net Score," and it is calculated taking the percentage of customers that give a '5' rating (known as Promoters) and subtracting the percentage of customers that give a '1,' '2,' or '3' rating (known as Detractors). Net Score = % Promoters minus % Detractors (Net Score = % 5 Ratings minus % 1-3 Ratings) The Net Score ranges from -100 to +100.	minus % Detractors (Net Score = % 5 Ratings minus % 1-3 Ratings) The Net Score ranges from -100 to +100.		ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.
Employee and Community Engagement	This goal includes three action items tied to employee engagement and community service. Completion of 1 is Minimum, 2 is Target, and 3 is Maximum: 1. Ensure that 90% of departments have implemented an employee engagement survey action plan, verified by submission and completion at the	Min = completion of any 1 subgoals, Target = completion of any 2 subgoals, Max = completion of all subgoals.	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	Director level within the Gallup engagement portal. 2. Achieve 68% or higher participation rate for the Ethics and Compliance survey amount non-represented employees. 3. Employee community service volunteer hours in excess of 17,000 hours. To qualify, hours must be logged by employees in MyGiving Platform.			comprehensive executive accountability and enterprise performance.
SRE Earnings	Sempra Earnings are revenue minus expense, less tax. Employees can influence earnings by either increasing revenue or decreasing expenses. Earnings are determined after accounting for the appropriate accrued level of incentive compensation expense.	Revenue minus expense, less tax.	Pre-Defined Adjustments to Sempra Earnings for ICP: - Exclude the impact of any unplanned changes in tax laws or regulations and accounting rule changes, and changes in governmental policies and regulations, including, but not limited to the impact of tariffs. - Exclude certain nonrecurring items at the discretion of the Committee, provided that such items do not have a material adverse impact on the Company's stock price, also as determined by the Compensation Committee.	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
			Such items would include but not be limited to: - the pro forma earnings impact of any acquisition or divestiture to the extent the earnings impact of such acquisition or divestiture or related transaction and integration cost is not included in the Plan earnings target. - Exclude the variance from plan of the foreign exchange gains or losses, net of inflation, including any associated cost of hedging. - Exclude unrealized Mark-to-Market gains or losses. - Exclude gains or losses related to legacy litigation matters. - Exclude 90% of gains or losses related to asset sales and impairments in connection with a sale to the extent the earnings impact of such item is not included in the Plan earnings target. - Exclude items that are required to be excluded from the annual incentive	

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
			plans under the SDG&E and/or SoCalGas general rate case decisions. - Exclude any earnings impact associated with decommissioning of the San Onofre Nuclear Generating Station (SONGS). - Exclude the variance from plan of the liability insurance expense not recoverable through balancing accounts. - Exclude variance from plan of any accelerated amortization or other impacts of the California AB 1054 Wildfire Fund. - Exclude variance to plan of the impact of pending regulatory matters related to the CPUC and FERC Cost of Capital proceedings. - Exclude one-time pension settlement charges and Long-Term Incentive Plan tax windfall or shortfall to the extent such items are not included in the Plan earnings target. - Limit impact of Rabbi trust results (net of deferred compensation) to +/-5%	

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
			(percentage points) of the Sempra ICP Earnings metric as calculated without such gains or losses, to the extend such impacts are not included in the Plan earnings target.	
SoCalGas Earnings	SoCalGas Earnings (after interest and taxes) are earnings we generate primarily from our gas operations after debt financing costs and income taxes. If SoCalGas earnings are below minimum, the ICP payout for the Operational Goals, other than Safety, and Individual Performance measures shall be discretionary as determined by the SoCalGas Board of Directors.	Earnings (after interest and taxes) are earnings we generate primarily from our gas operations after debt financing costs and income taxes.	Predefined Adjustment to SoCalGas Earnings: - Exclude the impact of any unplanned changes in tax laws or regulations, accounting rule changes, and changes in governmental policies and regulations, including, but not limited to the impact of tariffs. - Exclude certain nonrecurring items at the discretion of the SoCalGas Board or its Compensation Committee, provided that such items do not have a material adverse impact on Sempra's stock price also as determined by the SoCalGas Board or its Compensation Committee. Such items would include	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
			but not be limited to: -The pro forma earnings impact of any acquisition or divestiture to the extent the earnings impact of such acquisition or divestiture or related transaction and integration cost is not included in the SoCalGas Plan Earnings target. -The aggregate variance to plan greater than $6 million (20% of the target to maximum range of earnings goal), to the extent such impacts are not included in the Plan Earnings target of pending regulatory matters related to (1) 2024 GRC Track 3 PSEP; (2) 2019 GRC related TIMP application; (3) 2019 GRC related SIMP Tier 3 Advice Letter; (4) 2024 GRC follow on application for VISTA O&M; and the related deferral and recognition of return on equity for these programs. -The impact of authorized decisions of the Board that could impact earnings including, but not limited to, issuing debt or preferred	

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
			stock securities exceeding planned amounts to fund dividends, legal settlements, or other strategic expenses approved by the Board. - Exclude unrealized Mark to Market gains or losses that are not subject to regulatory balancing. - Exclude gains or losses related to legacy litigation matters. - Exclude 90% of gains or losses related to asset sales and impairments in connection with a sale to the extent the earnings impact of such items is not included in the Plan Earnings target. - Exclude items that are required to be excluded from the annual incentive plans under SoCalGas general rate case decisions. - Exclude the variance from plan of the liability insurance expense not	

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
			recoverable through balancing accounts. - Exclude variance to plan of the impact of pending regulatory matters related to the CPUC Cost of Capital - Exclude one-time pension settlement charges and Long-Term Incentive Plan tax windfall or shortfall to the extent such items are not included in the Plan Earnings target or that are not subject to regulatory balancing. In addition, after year-end close, and at the discretion of the SoCalGas Board of Directors, 2026 SoCalGas Earnings for ICP purposes may exclude the after-tax effect of the difference between: - The actual and planned Corporate and SDG&E ICP allocations to SoCalGas; and - The actual and planned Corporate and SDG&E departments' Shared	

Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
			Service charge.	
Balance Sheet Health	The 2026 SoCalGas Balance Sheet goal is a financial health goal intended to support enhancing balance sheet strength. Min = completion of any 1 subgoal. Target = completion of any 2 subgoals. Max = completion of any 3 subgoals. Subgoal 1: Reduce the accounts receivable days sales outstanding for the 12 months ending December 31, 2026 over the 12 months ended December 31, 2025 by at least 50 bps. Subgoal 2: Reduce arrears balances > 30 days, including AMP, by at least 5%. Subgoal 3: Maintain the	Min = completion of any 1 subgoals, Target = completion of any 2 subgoals, Max = completion of all subgoals.	N/A	No. The inclusion of non-WMP metrics in the STIP reflects SDG&E's and SCG's obligation to manage and deliver performance across a broad spectrum of operational, safety, customer, financial, and strategic objectives. Accordingly, the STIP incorporates both WMP and non-WMP measures to ensure a balanced incentive framework that supports comprehensive executive accountability and enterprise performance.

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Measure/Metric	Definition	Calculation Methodology	Any Adjustments/Exclusions	Alignment with WMP Metrics
	SoCalGas FFO/Debt Credit Metrics at the 2025 improved levels that are above the downgrade thresholds. Subgoal 4: Achieve successful outcome on at least one of the following pending applications: 2024 GRC Track 3 (PSEP); TIMP application; SIMP advice letter; DIMP application; 2024 GRC PFM; VISTA O&M application; Advanced Meter Infrastructure Replacement application. Successful outcome equates to minimal disallowances such that the collar exception on the earnings target does not need to be utilized.			

Section 1.3.5: STIP Changes

Instructions: The electrical corporation must describe any changes from the previous year to the current year in terms of STIP eligibility, structure, modifiers, metrics (including changes to minimum/threshold, target, and maximum performance values), weightings and definitions. The electrical corporation must explain the reason for the change(s).

SDG&E annually engages in an extensive goal development process that reviews and establishes Company priorities for the year, concluding with approval of the ICP Structure by the SDG&E Board of Directors. Minimum, Maximum and Target goals are reviewed and updated annually considering measurements including but not limited to prior year performance, external benchmarks, internal priorities, and project plans. Success measures may be reviewed and adjusted to account for recent and historical performance, availability of resources, improvements in the means of calculating performance, or other developments.

Updates for 2026 include:

- Updated alternative measures for PSPS Restoration Time to emphasize preparedness, training, wildfire safety outreach, and cross-functional wildfire mitigation efforts.
- Enhanced Cyber Safety metric with expanded contractor participation and more rigorous performance expectations.
- Near Misses Reported now measures timely completion of corrective actions rather than reporting volume alone.
- Customer Service Value was refined to focus on complex customer energization timelines, outage restoration communications, and customer responsiveness.
- Business and Technological Transformation replaces the former Clean Energy Transition Projects metric and focuses on operational and technology initiatives that generate measurable cost savings.
- Advancing Organizational Culture was redesigned to focus on ethics participation, employee engagement action plans, and community volunteerism, incorporating the former Community Relations measure.
- SDG&E Balance Sheet was updated to emphasize financial health through improvements in receivables, arrears reduction, credit metrics, and regulatory outcomes.

Section 1.3.5 Shared Services: STIP Changes

Instructions: The electrical corporation must describe any changes from the previous year to the current year in terms of STIP eligibility, structure, modifiers, metrics (including changes to minimum/threshold, target, and maximum performance values), weightings and definitions. The electrical corporation must explain the reason for the change(s).

SDG&E and SCG annually engage in an extensive goal development process that reviews and establishes Company priorities for the year, concluding with approval of the ICP Structure by the SDG&E and SCG Board of Directors. Minimum, Maximum and Target goals are reviewed and updated annually considering measurements including but not limited to prior year performance, external benchmarks, internal priorities, and project plans. Success measures may be reviewed and adjusted to account for recent and historical performance, availability of resources, improvements in the means of calculating performance, or other developments.

Updates for 2026 include:

SDG&E

- Updated alternative measures for PSPS Restoration Time to emphasize preparedness, training, wildfire safety outreach, and cross-functional wildfire mitigation efforts.
- Enhanced Cyber Safety metric with expanded contractor participation and more rigorous performance expectations.
- Near Misses Reported now measures timely completion of corrective actions rather than reporting volume alone.
- Customer Service Value was refined to focus on complex customer energization timelines, outage restoration communications, and customer responsiveness.
- Business and Technological Transformation replaces the former Clean Energy Transition Projects metric and focuses on operational and technology initiatives that generate measurable cost savings.
- Advancing Organizational Culture was redesigned to focus on ethics participation, employee engagement action plans, and community volunteerism, incorporating the former Community Relations measure.
- SDG&E Balance Sheet was updated to emphasize financial health through improvements in receivables, arrears reduction, credit metrics, and regulatory outcomes.

SCG

- Gas Transmission Safety now measures progress toward regulatory testing and replacement requirements rather than pipeline valve retrofit projects.
- DIMP shifted from miles of vintage pipe replacement to completion of risk-prioritized Bare Steel Replacement Program work.
- Cybersecurity was enhanced to include contractors and more rigorous cyber safety expectations.
- Safety Culture measures were redesigned to focus on WE LEAD engagement, leadership field/desk rides, and quality near miss reporting, replacing the API maturity assessment measure
- Strategic Priorities & Stakeholder Goals replaced several Clean Energy and customer growth measures with broader Business Transformation and Resiliency/Ready for Tomorrow initiatives focused on efficiency, reliability, and future readiness.

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- Employee and Community Engagement was updated to emphasize employee engagement action plans, ethics participation, and volunteerism.
- Balance Sheet Health was revised to focus on measurable financial outcomes, including receivables, arrears reduction, credit metrics, and favorable regulatory outcomes.

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Section 1.3.6: Historical STIP Data

Instructions: The electrical corporation must provide historical performance data for Current Year's STIP metrics. If data is lacking, or should be considered in a certain context, explain in the Notes/Context field provided why there is no data for a given year(s) and the relevant context. The electrical corporation must provide historical STIP data for any newly added metric in the current performance period. The electrical corporation may add rows as necessary.

Table 1.3.7
STIP Metric Historical Actual Performance

Metric/ Measure	Current Year - 5	Current Year - 4	Current Year - 3	Current Year - 2	Current Year - 1
Wildfire & PSPS System Hardening	163.6	180	169.26	166.31	88.2
Vegetation Contacts in HFTD with High FPI	9	15	21	3	1
PSPS Average Circuit Restoration Time (Hours)	3.28	0	0	5.91	3.38
Electric Overhead Fault Rate	1.278	0.90	0.72	0.66	0.63
Gas Integrity Management	52.06	54.7	56.09	58.2	9.16
Damage Prevention (Damages per USA ticket rate)	1.66	1.27	1.19	1.21	1.18
P1 Gas Response Time (Minutes)	29.1	28.6	28.3	28.1	26.81
Lost Time Incident (LTI) Rate	0.44	0.37	0.39	0.32	0.18
Driving Observations (percent)	N/A	N/A	N/A	100	100
Field Safety Engagements	N/A	N/A	N/A	126	166
Near Misses Reported	251	371	436	447	445
Cyber Safety	68%	73%	78.25%	84.73%	1.4
System Average Interruption Duration Index (SAIDI)	70.10	68.93	62.00	61.67	56.56
Customer Service Value	N/A	N/A	120%	120%	120%
Business and Technological Transformation	N/A	N/A	N/A	N/A	N/A
Advancing Organizational Culture	N/A	N/A	N/A	N/A	2
SRE Earnings	2,558	2,947	2,977	3,158	3,154
SDG&E Earnings	822	922	955	997	1,048
SDG&E Balance Sheet	N/A	N/A	N/A	N/A	3

Notes/Context:

Shaded cells indicate that the performance measure was not included in the ICP target for the year indicated but performance data is available. Not applicable ("N/A") indicates that the performance metric was not tracked previously or tracked reflecting a different methodology

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or definition than applicable to the current year, and thus comparable performance data is not available.

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Section 1.3.6 Shared Services: Historical STIP Data

Instructions: The electrical corporation must provide historical performance data for Current Year's STIP metrics. If data is lacking, or should be considered in a certain context, explain in the Notes/Context field provided why there is no data for a given year(s) and the relevant context. The electrical corporation must provide historical STIP data for any newly added metric in the current performance period. The electrical corporation may add rows as necessary.

Table 1.3.7 Shared Services
STIP Metric Historical Actual Performance

Metric/ Measure	Current Year - 5	Current Year - 4	Current Year - 3	Current Year - 2	Current Year - 1
Wildfire & PSPS System Hardening	163.6	180	169.26	166.31	88.2
Vegetation Contacts in HFTD with High FPI	9	15	21	3	1
PSPS Average Circuit Restoration Time (Hours)	3.28	0	0	5.91	3.38
Electric Overhead Fault Rate	1.278	0.90	0.72	0.66	0.63
Gas Integrity Management	52.06	54.7	56.09	58.2	9.16
Damage Prevention (Damages per USA ticket rate)	1.66	1.27	1.19	1.21	1.18
P1 Gas Response Time (Minutes)	29.1	28.6	28.3	28.1	26.81
Lost Time Incident (LTI) Rate	0.44	0.37	0.39	0.32	0.18
Driving Observations (percent)	N/A	N/A	N/A	100	100
Field Safety Engagements	N/A	N/A	N/A	126	166
Near Misses Reported	251	371	436	447	445
Cyber Safety	68%	73%	78.25%	84.73%	1.4
System Average Interruption Duration Index (SAIDI)	70.10	68.93	62.00	61.67	56.56
Customer Service Value	N/A	N/A	120%	120%	120%
Business and Technological Transformation	N/A	N/A	N/A	N/A	N/A
Advancing Organizational Culture	N/A	N/A	N/A	N/A	2
SRE Earnings	2,558	2,947	2,977	3,158	3,154
SDG&E Earnings	822	922	955	997	1,048
SDG&E Balance Sheet	N/A	N/A	N/A	N/A	3
Metric/ Measure	**Current Year - 5**	**Current Year - 4**	**Current Year - 3**	**Current Year - 2**	**Current Year - 1**
Lost Time Incident Rate	0.70	0.60	0.93	0.71	0.89

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Metric/ Measure	Current Year - 5	Current Year - 4	Current Year - 3	Current Year - 2	Current Year - 1
Safety Observation Rate	N/A	N/A	N/A	100%	100%
Driving Observation Rate	N/A	100%	100%	100%	100%
A1 Gas Leak Order Response Time	93.23	93.21	93.59	93.7	94.9
Damage Prevention - Damages per USA Ticket Rate	2.35	2.3	2.11	2.15	2.05
Gas System Methane Emissions Reductions - Percent of planned high-pressure blowdown events releasing less than or equal to 500 MCF and achieve at least 97% emission reduction.	94%	93%	96%	96%	98%
Gas Transmission Safety - Percent Completion of regulatory test/replace requirements	N/A	N/A	27	22	22
Distribution Integrity Management Program (DIMP) - Percent Completion of Bare Steel Replacement Program (BSRP)	139	155.78	155	143	63
Cybersecurity	N/A	71%	80.53%	87.35%	0.9%
Employee impact through WE LEAD base visits and Executive/Director Completed and Documented Field / Desk Rides	N/A	N/A	N/A	N/A	N/A
Number of near miss/stop the job/good catch reports conforming to best practices.	N/A	N/A	N/A	N/A	3107
Business Transformation	N/A	N/A	N/A	N/A	N/A
Resiliency/Ready for Tomorrow	N/A	N/A	N/A	N/A	N/A
Touchpoint Action Program (TAP): Ease of Doing Business with SoCalGas	N/A	N/A	46.6	55.6	54
Employee and Community Engagement	8 action items completed	8 action items completed	6 action items completed	6 action items completed	Executive: 2 actions completed Non-Executive: 3 actions completed

Redacted

Metric/ Measure	Current Year - 5	Current Year - 4	Current Year - 3	Current Year - 2	Current Year - 1
SRE Earnings	2,558	2,947	2,977	3,158	3,154
SoCalGas Earnings	$719	$795	$813	$1,031	$880
Balance Sheet Health	N/A	N/A	N/A	N/A	3

Notes/Context:

Shaded cells indicate that the performance measure was not included in the ICP target for the year indicated but performance data is available. Not applicable ("N/A") indicates that the performance metric was not tracked previously or tracked reflecting a different methodology or definition than applicable to the current year, and thus comparable performance data is not available.

Section 1.3.7: Previous Year STIP Adjustments

Instructions: The electrical corporation must provide an explanation of any increases and decreases in STIP compensation in the previous year due to failure to meet safety or other targets. The electrical corporation must separately describe any adjustments to STIP compensation levels made by the Compensation Committee or executive management and the amount and reason for the reduction. The electrical corporation must detail any adjustments made to increase compensation beyond the levels warranted by the actual performance (in any metric classification) and the reasons for the adjustments.

1) **Actual performance lower than target due to failure to meet safety target(s):**

N/A

2) **Actual performance lower than target due to failure to meet other target(s):**

N/A

3) **Any deductions due to failure to meet "foundational goals":**

N/A

4) **Any deductions due to failure to meet earnings targets or thresholds:**

N/A

5) **Any additional deductions, or upward adjustments, to individual metrics or overall performance payout made by executive management, the Compensation Committee, or full Board of Directors:**

N/A

Section 1.3.7 Shared Services: Previous Year STIP Adjustments

Instructions: The electrical corporation must provide an explanation of any increases and decreases in STIP compensation in the previous year due to failure to meet safety or other targets. The electrical corporation must separately describe any adjustments to STIP compensation levels made by the Compensation Committee or executive management and the amount and reason for the reduction. The electrical corporation must detail any adjustments made to increase compensation beyond the levels warranted by the actual performance (in any metric classification) and the reasons for the adjustments.

1) **Actual performance lower than target due to failure to meet safety target(s):**

N/A

2) **Actual performance lower than target due to failure to meet other target(s):**

N/A

3) **Any deductions due to failure to meet "foundational goals":**

N/A

4) **Any deductions due to failure to meet earnings targets or thresholds:**

N/A

5) **Any additional deductions, or upward adjustments, to individual metrics or overall performance payout made by executive management, the Compensation Committee, or full Board of Directors:**

N/A

Section 1.3.8: Historical STIP Adjustments

Instructions: In Table 1.3.8 the electrical corporation must provide details of all downward adjustments to STIP compensation, including both formula-based reductions and negative discretionary reductions, by any decision-making body, including but not limited to the Board of Directors, Compensation Committee, or executive management, for the past five years, including reductions due to failure to meet safety or other performance targets. The information should be provided for individual metric adjustments and for the STIP as a whole. The electrical corporation must clearly identify whether each adjustment was formula-based or a negative discretionary reduction and separately describe any discretionary deductions to STIP compensation levels made by any decision-making body, including but not limited to the Board of Directors, Compensation Committee, or executive management, and the amount and reason for the reduction for the past five years.

A formula-based reduction is a decrease in STIP compensation that results directly from pre-established performance metrics and scoring methodologies. In other words, the payout is automatically reduced based on the approved formula when performance outcomes fall below established targets.

A negative discretionary reduction is a downward adjustment applied after the formula-based results have been calculated. This type of reduction reflects the judgment of any decision-making body, including but not limited to the Board of Directors, Compensation Committee, or executive management, and is typically based on qualitative considerations, specific events, or performance factors not fully captured in the formula.

Table 1.3.8
Historical STIP Reductions for Individual Metrics and Total STIP Award

Year	STIP Deductions for Safety, Wildfire Resiliency, and Other metrics	Provide a summary breakdown showing how the total point deductions are allocated across each STIP metric
Current Year - 1	N/A	N/A
Current Year - 2	N/A	N/A
Current Year - 3	N/A	N/A
Current Year - 4	N/A	N/A
Current Year - 5	N/A	N/A

Instructions: In Table 1.3.9, the electrical corporation must detail any adjustments made to increase or decrease compensation beyond the levels warranted by the actual performance (in any metric classification) and the reasons for the adjustments for the past five years.

Table 1.3.9
Historical STIP Discretionary Adjustments (Increases) for Individual Metrics and/or Total STIP Award

Year	Amount of any Discretionary Increase to Earned STIP Metric Value or Total STIP Award	Detailed Description/Explanation
Current Year - 1	N/A	N/A
Current Year - 2	N/A	N/A
Current Year - 3	N/A	N/A
Current Year - 4	N/A	N/A
Current Year - 5	N/A	N/A

Section 1.3.8 Shared Services: Historical STIP Adjustments

Instructions: In Table 1.3.8 the electrical corporation must provide details of all downward adjustments to STIP compensation, including both formula-based reductions and negative discretionary reductions, by any decision-making body, including but not limited to the Board of Directors, Compensation Committee, or executive management, for the past five years, including reductions due to failure to meet safety or other performance targets. The information should be provided for individual metric adjustments and for the STIP as a whole. The electrical corporation must clearly identify whether each adjustment was formula-based or a negative discretionary reduction and separately describe any discretionary deductions to STIP compensation levels made by any decision-making body, including but not limited to the Board of Directors, Compensation Committee, or executive management, and the amount and reason for the reduction for the past five years.

A formula-based reduction is a decrease in STIP compensation that results directly from pre-established performance metrics and scoring methodologies. In other words, the payout is automatically reduced based on the approved formula when performance outcomes fall below established targets.

A negative discretionary reduction is a downward adjustment applied after the formula-based results have been calculated. This type of reduction reflects the judgment of any decision-making body, including but not limited to the Board of Directors, Compensation Committee, or executive management, and is typically based on qualitative considerations, specific events, or performance factors not fully captured in the formula.

Table 1.3.8 Shared Services
Historical STIP Reductions for Individual Metrics and Total STIP Award

Year	STIP Deductions for Safety, Wildfire Resiliency, and Other metrics	Provide a summary breakdown showing how the total point deductions are allocated across each STIP metric
Current Year - 1	N/A	N/A
Current Year - 2	N/A	N/A
Current Year - 3	N/A	N/A
Current Year - 4	N/A	N/A
Current Year - 5	N/A	N/A

Redacted

Instructions: In Table 1.3.9, the electrical corporation must detail any adjustments made to increase or decrease compensation beyond the levels warranted by the actual performance (in any metric classification) and the reasons for the adjustments for the past five years.

Table 1.3.9 Shared Services
Historical STIP Discretionary Adjustments (Increases) for Individual Metrics and/or Total STIP Award

Year	Amount of any Discretionary Increase to Earned STIP Metric Value or Total STIP Award	Detailed Description/Explanation
Current Year - 1	N/A	N/A
Current Year - 2	N/A	N/A
Current Year - 3	N/A	N/A
Current Year - 4	N/A	N/A
Current Year - 5	N/A	N/A

Redacted

Section 1.3.9: Current Year STIP Metric Ties to Other Metrics

Rationale: Understand how an electrical corporation's Executive Compensation Structure metrics relate to its WMP, SPMs and SOMs. The CPUC requires PG&E, SCE, Southern California Gas Company (SoCalGas) and SDG&E (collectively the investor-owned utilities or IOUs) to annually report on safety performance metrics (SPMs) to measure achieved safety improvements. [7] Additionally, the CPUC adopted Safety and Operational Metrics (SOMs) for PG&E[8] to be used in accordance with the approved PG&E's post-bankruptcy reorganization plan. [9]

Instructions: For each metric included in the STIP for the current year, all electrical corporations must indicate whether the metric is tied to its WMP (and the associated initiative number) and whether the metric is similar in nature to SPM metrics (and the associated SPM number). PG&E must also indicate whether the metric is similar in nature to SOM metrics (and the associated SOM number). For metrics similar in nature to a SOM, PG&E must explain any differences between its calculation of that metric and the required SOM method of calculation of that metric. All other electrical corporations must also indicate whether each metric included in the STIP for the current year is similar in nature to SOM metrics and to explain any differences between its calculation of that metric and SOM method of calculation of the metric.

Table 1.3.10
Current Year STIP – Ties to WMP, SMPs, and SOMs

Executive Compensation Structure Submission STIP Measure/Metric	Related to WMP (Yes/No)	Related to WMP (Initiative Number)	Similar to SPM (Yes/No)	Similar to SPM (SPM Number)	Similar to SOM (Yes/No)	Similar to SOM (SOM Number)	Description of Computational/Definitional Differences
Wildfire & PSPS System Hardening	Yes	WMP.455 (08.02.01); WMP.473 (08.02.02); WMP.475 (08.02.05); WMP.543 (08.02.05);	Yes	20	No	N/A	N/A

[7] CPUC Decision 19-04-020: https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M288/K389/288389255.PDF.
[8] CPUC Decision 21-11-009 in eight separate files: https://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=421107805.
[9] CPUC Decision 20-05-053: https://www.cpuc.ca.gov/-/media/cpuc-website/files/uploadedfiles/cpucwebsite/content/news_room/newsupdates/2020/d2005053-for-i1909016.pdf.

Redacted

Executive Compensation Structure Submission STIP Measure/Metric	Related to WMP (Yes/No)	Related to WMP (Initiative Number)	Similar to SPM (Yes/No)	Similar to SPM (SPM Number)	Similar to SOM (Yes/No)	Similar to SOM (SOM Number)	Description of Computational/Definitional Differences
		WMP.545 (08.02.05)					
Vegetation Contacts in HFTD with High FPI	Yes	WMP.494 (9.02); WMP.508 (9.02); WMP.512	No	N/A	No	N/A	N/A
PSPS Average Circuit Restoration Time (Hours)	Yes	Section 9.10	No	N/A	No	N/A	N/A
Electric Overhead Fault Rate	Yes	Sections 8.7	No	N/A	No	N/A	N/A
Gas Integrity Management	No	N/A	Yes	20	No	N/A	N/A
Damage Prevention (Damages per USA ticket rate)	No	N/A	Yes	20	No	N/A	N/A
P1 Gas Response Time (Minutes)	No	N/A	Yes	11 and 20	No	N/A	N/A
Cyber Safety	No	N/A	No	N/A	No	N/A	N/A
Lost Time Incident (LTI) Rate	No	N/A	Yes	14 and 15	No	N/A	N/A
Driving Observations (percent)	No	N/A	No	N/A	No	N/A	N/A
Field Safety Engagements	No	N/A	No	N/A	No	N/A	N/A

Redacted

Executive Compensation Structure Submission STIP Measure/Metric	Related to WMP (Yes/No)	Related to WMP (Initiative Number)	Similar to SPM (Yes/No)	Similar to SPM (SPM Number)	Similar to SOM (Yes/No)	Similar to SOM (SOM Number)	Description of Computational/Definitional Differences
Near Misses Reported	No	N/A	No	N/A	No	N/A	N/A
System Average Interruption Duration Index (SAIDI)	No	N/A	No	N/A	No		N/A
Customer Service Value	No	N/A	No	N/A	No	N/A	N/A
Business and Technological Transformations	No	N/A	No	N/A	No	N/A	N/A
Advancing Organizational Culture	No	N/A	No	N/A	No	N/A	N/A
SRE Earnings	No	N/A	No	N/A	No	N/A	N/A
SDG&E Earnings	No	N/A	No	N/A	No	N/A	N/A
SDG&E Balance Sheet	No	N/A	No	N/A	No	N/A	N/A

Redacted

Section 1.3.9 Shared Services: Current Year STIP Metric Ties to Other Metrics

Rationale: Understand how an electrical corporation's Executive Compensation Structure metrics relate to its WMP, SPMs and SOMs. The CPUC requires PG&E, SCE, Southern California Gas Company (SoCalGas) and SDG&E (collectively the investor-owned utilities or IOUs) to annually report on safety performance metrics (SPMs) to measure achieved safety improvements. [10] Additionally, the CPUC adopted Safety and Operational Metrics (SOMs) for PG&E[11] to be used in accordance with the approved PG&E's post-bankruptcy reorganization plan. [12]

Instructions: For each metric included in the STIP for the current year, all electrical corporations must indicate whether the metric is tied to its WMP (and the associated initiative number) and whether the metric is similar in nature to SPM metrics (and the associated SPM number). PG&E must also indicate whether the metric is similar in nature to SOM metrics (and the associated SOM number). For metrics similar in nature to a SOM, PG&E must explain any differences between its calculation of that metric and the required SOM method of calculation of that metric. All other electrical corporations must also indicate whether each metric included in the STIP for the current year is similar in nature to SOM metrics and to explain any differences between its calculation of that metric and SOM method of calculation of the metric.

Table 1.3.10 Shared Services
Current Year STIP – Ties to WMP, SMPs, and SOMs

Executive Compensation Structure Submission STIP Measure/Metric	Related to WMP (Yes/No)	Related to WMP (Initiative Number)	Similar to SPM (Yes/No)	Similar to SPM (SPM Number)	Similar to SOM (Yes/No)	Similar to SOM (SOM Number)	Description of Computational/Definitional Differences
Wildfire & PSPS System Hardening	Yes	WMP.455 (08.02.01); WMP.473 (08.02.02); WMP.475 (08.02.05); WMP.543 (08.02.05);	Yes	20	No		N/A

[10] CPUC Decision 19-04-020: https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M288/K389/288389255.PDF.
[11] CPUC Decision 21-11-009 in eight separate files: https://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=421107805.
[12] CPUC Decision 20-05-053: https://www.cpuc.ca.gov/-/media/cpuc-website/files/uploadedfiles/cpucwebsite/content/news_room/newsupdates/2020/d2005053-for-i1909016.pdf.

Executive Compensation Structure Submission STIP Measure/Metric	Related to WMP (Yes/No)	Related to WMP (Initiative Number)	Similar to SPM (Yes/No)	Similar to SPM (SPM Number)	Similar to SOM (Yes/No)	Similar to SOM (SOM Number)	Description of Computational/Definitional Differences
		WMP.545 (08.02.05)					
Vegetation Contacts in HFTD with High FPI	Yes	WMP.494 (9.02); WMP.508 (9.02); WMP.512	No	N/A	No	N/A	N/A
PSPS Average Circuit Restoration Time (Hours)	Yes	Section 9.10	No	N/A	No	N/A	N/A
Electric Overhead Fault Rate	Yes	Sections 8.7	No	N/A	No	N/A	N/A
Gas Integrity Management	No	N/A	Yes	20	No	N/A	N/A
Damage Prevention (Damages per USA ticket rate)	No	N/A	Yes	20	No	N/A	N/A
P1 Gas Response Time (Minutes)	No	N/A	Yes	11 and 20	No	N/A	N/A
Cyber Safety	No	N/A	No	N/A	No	N/A	N/A
Lost Time Incident (LTI) Rate	No	N/A	Yes	14 and 15	No	N/A	N/A
Driving Observations (percent)	No	N/A	No	N/A	No	N/A	N/A
Field Safety Engagements	No	N/A	No	N/A	No	N/A	N/A

Redacted

Executive Compensation Structure Submission STIP Measure/Metric	Related to WMP (Yes/No)	Related to WMP (Initiative Number)	Similar to SPM (Yes/No)	Similar to SPM (SPM Number)	Similar to SOM (Yes/No)	Similar to SOM (SOM Number)	Description of Computational/Definitional Differences
Near Misses Reported	No	N/A	No	N/A	No	N/A	N/A
System Average Interruption Duration Index (SAIDI)	No	N/A	No	N/A	No	N/A	N/A
Customer Service Value	No	N/A	No	N/A	No	N/A	N/A
Business and Technological Transformations	No	N/A	No	N/A	No	N/A	N/A
Advancing Organizational Culture	No	N/A	No	N/A	No	N/A	N/A
SRE Earnings	No	N/A	No	N/A	No	N/A	N/A
SDG&E Earnings	No	N/A	No	N/A	No	N/A	N/A
SDG&E Balance Sheet	No	N/A	No	N/A	No	N/A	N/A
Lost Time Incident Rate	No	N/A	Yes	14 and 15	No	N/A	N/A
Safety Observation Rate	No	N/A	No	N/A	No	N/A	N/A
Driving Observation Rate	No	N/A	No	N/A	No	N/A	N/A
A1 Gas Leak Order Response Time	No	N/A	Yes	11 and 20	No	N/A	N/A
Damage Prevention - Damages per USA Ticket Rate	No	N/A	Yes	20	No	N/A	N/A
Gas System Methane Emissions Reductions -	No	N/A	Yes	20	No	N/A	N/A

Redacted

Executive Compensation Structure Submission STIP Measure/Metric	Related to WMP (Yes/No)	Related to WMP (Initiative Number)	Similar to SPM (Yes/No)	Similar to SPM (SPM Number)	Similar to SOM (Yes/No)	Similar to SOM (SOM Number)	Description of Computational/Definitional Differences
Percent of planned high-pressure blowdown events releasing less than or equal to 500 MCF and achieve at least 97% emission reduction.							
Gas Transmission Safety - Percent Completion of regulatory test/replace requirements	No	N/A	Yes	20	No	N/A	N/A
Distribution Integrity Management Program (DIMP) - Percent Completion of Bare Steel Replacement Program (BSRP)	No	N/A	Yes	20	No	N/A	N/A
Cybersecurity	No	N/A	Yes	20	No	N/A	N/A
Employee impact through WE LEAD base visits and Executive/Director Completed and Documented Field / Desk Rides	No	N/A	No	N/A	No	N/A	N/A
Number of near miss/stop the job/good catch reports conforming to best practices.	No	N/A	No	N/A	No	N/A	N/A

Redacted

Executive Compensation Structure Submission STIP Measure/Metric	Related to WMP (Yes/No)	Related to WMP (Initiative Number)	Similar to SPM (Yes/No)	Similar to SPM (SPM Number)	Similar to SOM (Yes/No)	Similar to SOM (SOM Number)	Description of Computational/Definitional Differences
Business Transformation	No	N/A	No	N/A	No	N/A	N/A
Resiliency/Ready for Tomorrow	No	N/A	No	N/A	No	N/A	N/A
Touchpoint Action Program (TAP): Ease of Doing Business with SoCalGas	No	N/A	No	N/A	No	N/A	N/A
Employee and Community Engagement	No	N/A	No	N/A	No	N/A	N/A
SRE Earnings	No	N/A	No	N/A	No	N/A	N/A
2026 SoCalGas Earnings	No	N/A	No	N/A	No	N/A	N/A
Balance Sheet Health	No	N/A	No	N/A	No	N/A	N/A

Section 1.4: Long-Term Incentive Program (LTIP) Public Utilities Code Section 8389(e)(4)

Rationale: For the issuance of a Certificate, Public Utilities Code section 8389(a)(4) requires that electrical corporations' executive incentive compensation structures are "structured to promote safety as a priority and to ensure public safety and utility financial stability with performance metrics, including incentive compensation based on meeting performance metrics that are measurable and enforceable, for all executive officers... ." To ensure that the executive compensation structure for electrical corporation executive officers is structured to promote safety as a priority and ensure public safety and utility financial stability, Energy Safety must have an in-depth understanding of the performance-based components of an executive compensation structure.

Public Utilities Code section 8389(a)(6)(A)(i)(I) requires "[s]trict limits on guaranteed cash compensation, with the primary portion of the executive officers' compensation based on achievement of objective performance metrics." Subsection (i)(II), requires "[n]o guaranteed monetary incentives in the compensation structure." Subsection (ii) requires that the compensation structure "satisfies the compensation principles identified in paragraph (4)," noted above. Subsection (iii) requires "[a] long-term structure that provides a significant portion of compensation, which may take the form of grants of the electrical corporation's stock, based on the electrical corporation's long-term performance and value. This compensation shall be held or deferred for a period of at least three years." Subsection (iv) requires "[m]inimization or elimination of indirect or ancillary compensation that is not aligned with shareholder and taxpayer interest in the electrical corporation."

Instructions: The LTIP includes all performance-based compensation awarded on a performance term of three or more years. If the electrical corporation uses more than one long-term incentive mechanism, the electrical corporation must repeat this information for each mechanism (e.g., three-year, four-year).

Redacted

Section 1.4.1: LTIP General Eligibility

Instructions: The electrical corporation must include the LTIP target percentage of base salary for each executive officer in the filing. The electrical corporation must describe any changes in LTIP eligibility from the prior period. The electrical corporation may add additional rows as needed.

Table 1.4.1
LTIP General Eligibility and Executive Officer Targets

Executive Title/Function	LTIP Target Percentage of Base Salary
President	[redacted]
SVP and Chief Financial Officer	[redacted]
SVP and General Counsel	[redacted]
Chief Operating Officer	[redacted]
VP, Chief Accounting Officer and Controller	[redacted]
Former SVP and General Counsel	[redacted]

Section 1.4.2: Current Year LTIP Structure – Award Type, Weighting, Measures and Vesting Period

Definitions: In the case of the LTIP, the "current year" refers to the first year of the performance period beginning in the submission year and ending in accordance with the vesting schedule. For example, for a 2026 submission with performance share units that vest after three years, the "current year" refers to 2026, and the performance period refers to 2026-2028.

Instructions: Complete Table 1.4.2 for the current year's LTIP. For each LTIP award type, indicate the weighting, the measures/basis for the award, and the vesting period. If the award types or bases of the awards differ between positions or persons, the electrical corporation must copy Table 1.4.2 as necessary and indicate who the table applies to in space provided at the top of the table.

Table 1.4.2
Current Year LTIP Structure - Award Type, Weighting, Measures, and Vesting Period

Executive Title/ Function and Name: All Executive Officers			
LTIP Award Type	**Weight**	**Measure(s)**	**Vesting**
Stock Grant	n/a	n/a	n/a
Stock Option	n/a	n/a	n/a
Restricted Stock Unit (RSU)	40%	n/a	Annual installments over 3 years
Performance Share Unit PSU)/Performance Restricted Stock Unit (PRSU)	60%	Performance-based restricted stock units (weighted at 60%, collectively): 30% based on 3-year relative total shareholder return (TSR) – 70% based on 3-year relative TSR vs. S&P 500 Utilities Index and 30% based on 3-year relative TSR vs. S&P 500 Index – and 30% based on 3-year adjusted EPS CAGR relative to the S&P 500 Utilities Index. (S&P 500 Utilities Index excludes water companies and independent power producers)	3-year cliff vesting
Cash Performance Payment	n/a	n/a	n/a
Other	n/a	n/a	n/a

If Other LTIP vehicles are used for current LTIP, please describe:

n/a

1) Is any LTIP compensation not at risk?

Yes: ☐ No: ☒

Describe/Explain whether answering either Yes or No:

Restricted Stock Units and Performance Share Units are settled in shares of Sempra common stock, which is impacted by company performance and external factors, such as economic and market conditions. LTIP performance is tied to company safety performance in that if the company experiences an adverse safety event, it may impact financial and stock performance.

2) Provide the current year LTIP metric performance range(s):

Table 1.4.3
LTIP Metric Performance Range(s) for the Current Year

Metric	Below Minimum	Minimum	Target	Maximum
Sempra total shareholder return vs. S&P 500 Utilities Index	No payout for performance below the 25th percentile	25% payout for performance at the 25th percentile	100% payout for performance at the 50th percentile	200% payout for performance at/above the 90th percentile
Sempra total shareholder return vs. S&P 500 Index	No payout for performance below the 25th percentile	25% payout for performance at the 25th percentile	100% payout for performance at the 50th percentile	200% payout for performance at/above the 90th percentile
Sempra Earnings Per Share Growth	No payout for performance below the 25th percentile	25% payout for performance at the 25th percentile	100% payout for performance at the 50th percentile	200% payout for performance at/above the 90th percentile

Describe the interpolation method between categories (e.g., straight line):

Straight Line

3) Use of Any Performance Triggers

Does the electrical corporation's LTIP awards in the current year use any performance triggers (e.g., must achieve annual earnings per share of at least XYZ before any LTIP payments are made)? Check one:

Yes: ☐ No: ☒

If "Yes," describe any performance triggers:

4) Use of Any Automatic, Non-Discretionary Deductions

Does the electrical corporation's LTIP for the performance period starting in the current year include any automatic, non-discretionary deductions (e.g., failure to achieve WMP targets results in X% reduction, catastrophic wildfire results in zeroing out all safety metrics)? Check one:

Yes: ☐ No: ☒

If "Yes," describe all automatic, non-discretionary deductions:

5) Use of Any Specifically Defined Discretionary Deductions

Does the electrical corporation's current year LTIP include any potential discretionary deductions that are part of the structure? Check one:

Yes: ☐ No: ☒

If "Yes," describe all specific/defined discretionary deductions that are part of the structure:

6) Changes in the LTIP Structure, Performance Ranges, Performance Triggers, Discretionary or Non-Discretionary Deductions

Were there any changes from the previous year to the current year in the LTIP weighting, performance ranges, performance triggers, discretionary deductions or non-discretionary deductions? Check one:

Yes: ☒ No: ☐

If "Yes," describe the changes and the reason for each change:

Weighting of each component as a percentage of target award value (PSUs and RSUs are weighted at 60% and 40%, respectively, in 2026; the 2025 weightings for PSUs and RSUs, were 67% and 33%, respectively). For the PSUs based on relative TSR and earnings per share growth versus the S&P 500 Utilities Index, water companies and independent power producers are excluded for purposes of the 2026 awards; for purposes of the 2025 awards, water companies are excluded)

Section 1.4.3: Current LTIP Measures, Definitions and Calculations

Instructions: The electrical corporation must provide definitions and calculations for the current year LTIP metrics. For each metric, the electrical corporation must provide a definition of the measure/metric, any adjustments or exclusions, the basis for the definition and the actual calculation methodology such that if Energy Safety requested the source data/ inputs, Energy Safety would be able to derive the reported results. The electrical corporation must also provide the weight given to the metric and the minimum, target, and maximum values for the metric.

Table 1.4.4
Current Year LTIP Measures

Measure/Metric	Definition	Calculation Methodology	Any Adjustment/ Exclusions	Weight	Min.	Target	Max.
Relative Total Shareholder Return (TSR) vs. S&P 500 Utilities Index	Measures TSR over the three-year performance period for Sempra relative to the S&P 500 Utilities Index peers, excluding water companies and independent power producers. Peers are based on the constituents of the index as of the grant date.	TSR percentile ranking for the performance period (based on the 30-day average closing stock price immediately preceding the start of the performance period compared to the 30-day average closing stock price immediately preceding the end of the performance period) of Sempra's cumulative total shareholder return (consisting of per share appreciation in common stock plus reinvested dividends and other distributions paid on common stock) among the companies (ranked by cumulative total shareholder returns) in the S&P 500 Utilities Index (excluding water companies and independent power producers)	N/A	21%	See 1.4.3 above		
Relative Total Shareholder Return vs. S&P 500 Index	Measures TSR over the three-year performance period for Sempra relative to	TSR percentile ranking for the performance period (based on the 30-day average closing stock price immediately preceding the start of	N/A	9%	See 1.4.3 above		

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Measure/Metric	Definition	Calculation Methodology	Any Adjustment/ Exclusions	Weight	Min.	Target	Max.
	the S&P 500 Index peers. Peers are based on the constituents of the index as of the grant date.	the performance period compared to the 30-day average closing stock price immediately preceding the end of the performance period) of Sempra's cumulative total shareholder return (consisting of per share appreciation in common stock plus reinvested dividends and other distributions paid on common stock) among the companies (ranked by cumulative total shareholder returns) in the S&P 500 Index					
Earnings per share growth	Measures Sempra's Adjusted EPS three-year CAGR relative to the S&P 500 Utilities Index peers, excluding water companies. Peers are based on the constituents of the index as of the grant date.	Based on the compound annual growth rate of Sempra's 2025-2028 Adjusted Earnings Per Share vs. the Adjusted Earnings Per Share CAGRs of the constituents of the S&P 500 Utilities Index, excluding water companies and independent power producers.	Adjusted EPS of Sempra and peers differs from EPS calculated under accounting principles generally accepted in the United States of America (GAAP). Typical exclusions include but are not limited to foreign exchange gains and losses, gains and losses related to acquisitions and divestitures, and the impact of changes in accounting and tax laws and regulations. Sempra's Adjusted EPS also excludes the effect of any common stock buybacks not contemplated as of the grant date.	30%	See 1.4.3 above		

1) Changes in LTIP measures

Were there any changes from the previous year in the LTIP measures, definitions, calculation methodology, or performance goals in the current year? Check one:

Yes: ☒ No: ☐

If "Yes," describe the changes and the reason for each change:

Weighting of each component as a percentage of target award value (PSUs and RSUs are weighted at 60% and 40%, respectively, in 2026; the 2025 weightings for PSUs and RSUs, were 67% and 33%, respectively). For the PSUs based on relative TSR and earnings per share growth versus the S&P 500 Utilities Index, water companies and independent power producers are excluded for purposes of the 2026 awards; for purposes of the 2025 awards, water companies are excluded)

Section 1.4.4: Performance Share Unit Metric Actual Performance

Instructions: The electrical corporation must provide historical performance data for the PSU metrics for LTIP awards that vested in the previous year. If the PSU metric results for the performance period are based on annual, rather than cumulative data for the period, provide the annual data and the calculated performance period results, as shown in Example 2 in the table below. If data is lacking, or should be considered in a certain context, the electrical corporation must explain in the Notes/Context field following the table. The electrical corporation may add rows as necessary.

Table 1.4.5
Minimum, Target and Maximum Performance versus Actual Performance for PSUs that Vested in Previous Year

Performance Period	Measure/ Metric	Weight	Below Min	Min	Target	Max	Actual	Performance Multiplier	Weighted Contribution
2022-2024	Relative Total Shareholder Return vs. S&P 500 Utilities Index	16.7%	No payout for performance below the 25th percentile	25th percentile	50th percentile	90th percentile	86.6 percentile	191.5%	31.9%
2022-2024	Relative Total Shareholder Return vs. S&P 500 Index	16.7%	No payout for performance below the 25th percentile	25th percentile	50th percentile	90th percentile	77.8 percentile	169.5%	28.3%
2022-2024	Earnings per Share Growth	33.3%	No payout for performance below 6.2% CAGR	5.0%	6.3%	8.6%	9.4%	200%	66.7%

Notes/Context:

The 2022 PSU awards vested in early 2025 after the performance results were calculated and certified by the Compensation and Talent Development Committee of the Sempra board of directors. Weight is based on the value of each component as a percentage of the total target LTIP award, calculated using the closing price of Sempra common stock on the grant date. Weighted contribution is the Weight x Performance Multiplier.

Redacted

Section 1.4.5: Historical LTIP Data

Instructions: The electrical corporation must provide historical performance data for the LTIP metrics that vested in each of the prior five years. Include data for metrics currently in place, as well as the metrics used in previous performance periods. If data is lacking, or should be considered in a certain context, the electrical corporation must explain in the Notes/Context field provided why there is no data for a given year(s) and the relevant context. The electrical corporation may add rows as necessary.

Table 1.4.6
LTIP Metric Historical Actual Performance Over Performance Period

Metric/Measure	Vesting Year				
	Current Year - 5	Current Year - 4	Current Year - 3	Current Year - 2	Current Year - 1
TSR vs. S&P 500 Utilities Index	64% (2019-2021 Award cycle)	131% (2020-2022 Award cycle)	145% (2021-2023 Award cycle)	192% (2022-2024 Award cycle)	59% (2023-2025 Award cycle)
TSR vs. S&P 500 Index	2% (2019-2021 Award cycle)	81% (2020-2022 Award cycle)	109% (2021-2023 Award cycle)	170% (2022-2024 Award cycle)	81% (2023-2025 Award cycle)
EPS Growth	200% (2019-2021 Award cycle)	200% (2020-2022 Award cycle)	200% (2021-2023 Award cycle)	200% (2022-2024 Award cycle)	0% (2023-2025 Award cycle)

Notes/Context:

Includes PSUs granted in 2019 through 2023.

Section 1.4.6: LTIP Adjustments for Performance Period Ending in Previous Year

Instructions: The electrical corporation must provide an explanation of any increases and decreases in LTIP compensation for the LTIP components that vested in the previous year due to failing to meet safety or other targets. The electrical corporation must separately describe any adjustments to LTIP compensation levels made by the Compensation Committee or executive management and the amount and reason for the reduction. The electrical corporation must detail any adjustments made to increase compensation beyond the levels warranted by the corporation's actual performance (in any metric classification) and the reasons for the adjustments.

1) Actual performance lower than target due to failure to meet safety target(s):

None

2) Actual performance lower than target due to failure to meet other (non-safety) target(s):

None

3) Any additional deductions, or upward adjustments, made by any decision-making body, including but not limited to the Board of Directors, Compensation Committee, or executive management, and the reason for each adjustment:

None

Section 1.4.7: Historical LTIP Adjustments

Instructions: In Table 1.4.7 the electrical corporation must provide details of all downward adjustments to LTIP compensation, including both formula-based reductions and negative discretionary reductions, by any decision-making body, including but not limited to the Board of Directors, Compensation Committee, or executive management, for the past five years, including reductions due to failure to meet safety or other targets. The information should be provided for individual metric adjustments and for the LTIP as a whole. The electrical corporation must separately describe any discretionary deductions to LTIP compensation levels made by any decision-making body, including but not limited to the Board of Directors, Compensation Committee, or executive management, and the amount and reason for the reduction for the past five years.

A formula-based reduction is a decrease in LTIP compensation that results directly from pre-established performance metrics and scoring methodologies. In other words, the payout is automatically reduced based on the approved formula when performance outcomes fall below established targets.

A negative discretionary reduction is a downward adjustment applied after the formula-based results have been calculated. This type of reduction reflects the judgment made by any decision-making body, including but not limited to the Board of Directors, Compensation Committee, or executive management, and is typically based on qualitative considerations, specific events, or performance factors not fully captured in the formula.

Table 1.4.7
Historical LTIP Reductions

Year	LTIP Deduction for Executive Officers Due to Unmet Safety, Wildfire Resiliency, and Other Goals	Provide a summary breakdown showing how the total point deductions are allocated across each unmet goal
Current Year	0	n/a
Current Year - 1	0	n/a
Current Year - 2	0	n/a
Current Year - 3	0	n/a
Current Year - 4	0	n/a
Current Year - 5	0	n/a

Section 1.4.8: Actuals for LTIPs with a Performance Period Ending in the Previous Year or Vesting in the Previous Year

Instructions: For any LTIP awards with a performance period that ended in the previous year which vested in either the previous year or in the current year, provide details of projected and actual payouts/performance. For any LTIP awards with earlier performance periods that vested in the previous year provide the same information.

For the purpose of calculating the grant value as a percentage of TIC, the electrical corporation must use the grant value of the compensation as determined for accounting purposes. Grant value is the value that is disclosed in proxy statement summary compensation tables for executive officers who are proxy officers. For purposes of calculating Earned Value as a percentage of TIC, the electrical corporation must use the value at the date of vesting. The electrical corporation must specify the percentages for each executive officer and not a range for various position levels. The electrical corporation must provide a table for each executive officer. The electrical corporation may make copies of Table 1.4.8 as necessary.

Table 1.4.8
LTIP Programs with a Performance Period Ending in the Previous Year or that Vested in the Previous Year

Executive Title/ Function and Name: President, Scott Crider								
LTIP Program Name	**Performance Measure**	**Target Value as % of TIC[13]**	**Grant Date**	**Stock Price at Grant Date**	**Grant Date Fair Value as a % of TIC[13]**	**Vesting Date**	**Stock Price at Vesting Date**	**Earned Value as a % of TIC at Vesting Date[13]**
2022 PSU	Total Shareholder Return vs. S&P 500 Utilities Index	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2022 PSU	Total Shareholder Return vs.S&P 500 Index	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2022 PSU	EPS Growth	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2022 RSU	Third Installment	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2023 RSU	Second Installment	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2024 RSU	First Installment	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

[13] See footnote 1 above.

Redacted

Table 1.4.8
LTIP Programs with a Performance Period Ending in the Previous Year or that Vested in the Previous Year

Executive Title/ Function and Name: SVP and Chief Financial Officer, Valerie Bille								
LTIP Program Name	**Performance Measure**	**Target Value as % of TIC[14]**	**Grant Date**	**Stock Price at Grant Date**	**Grant Date Fair Value as a % of TIC[14]**	**Vesting Date**	**Stock Price at Vesting Date**	**Earned Value as a % of TIC at Vesting Date[14]**
2022 PSU	Total Shareholder Return vs. S&P 500 Utilities Index	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2022 PSU	Total Shareholder Return vs.S&P 500 Index	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2022 PSU	EPS Growth	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2022 RSU	Third Installment	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2023 RSU	Second Installment	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2024 RSU	First Installment	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

[14] See footnote 1 above.

Redacted

Table 1.4.8
LTIP Programs with a Performance Period Ending in the Previous Year or that Vested in the Previous Year

Executive Title/ Function and Name: Chief Operating Officer, Kevin Geraghty								
LTIP Program Name	Performance Measure	Target Value as % of TIC[15]	Grant Date	Stock Price at Grant Date	Grant Date Fair Value as a % of TIC[15]	Vesting Date	Stock Price at Vesting Date	Earned Value as a % of TIC at Vesting Date[15]
2022 PSU	Total Shareholder Return vs. S&P 500 Utilities Index	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2022 PSU	Total Shareholder Return vs.S&P 500 Index	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2022 PSU	EPS Growth	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2022 RSU	Third Installment	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2023 RSU	Second Installment	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2024 RSU	First Installment	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

[15] See footnote 1 above.

Redacted

Table 1.4.8
LTIP Programs with a Performance Period Ending in the Previous Year or that Vested in the Previous Year

Executive Title/ Function and Name: Former SVP and General Counsel, Erbin Keith								
LTIP Program Name	**Performance Measure**	**Target Value as % of TIC[16]**	**Grant Date**	**Stock Price at Grant Date**	**Grant Date Fair Value as a % of TIC[16]**	**Vesting Date**	**Stock Price at Vesting Date**	**Earned Value as a % of TIC at Vesting Date[16]**
2022 PSU	Total Shareholder Return vs. S&P 500 Utilities Index	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2022 PSU	Total Shareholder Return vs.S&P 500 Index	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2022 PSU	EPS Growth	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2022 RSU	Third Installment	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2023 RSU	Second Installment	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2024 RSU	First Installment	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Note: Mr. Borthwick and Ms. Mekitarian were not executive officers of SDG&E in 2025.

1) Please explain the calculation methodology to determine the projected percent of TIC at grant date:

The projected percent of TIC at grant date is calculated by multiplying the number of units granted by the grant date value per share (consistent with the values per share used for proxy reporting purposes) and dividing that amount by the TIC for the year in which the grant was issued.[16]

2) Please explain the calculation methodology to determine the actual percent of TIC at vesting date:

The Earned Value as a percent of TIC at the vesting date is calculated by multiplying the number of units earned by the closing stock price on the vesting date and dividing that amount by the TIC for the year in which the grant was issued.[16]

[16] See footnote 1 above.

Section 1.5: Catastrophic Wildfire History

Rationale: Public Utilities Code section 8389(a)(4) requires an electrical corporation to have an executive incentive compensation structure that promotes safety as a priority and is structured to ensure public safety and utility financial stability. It states that the structure may include tying 100 percent of incentive compensation to safety performance and denying all incentive compensation in the event the electrical corporation causes a catastrophic wildfire that results in one or more fatalities. Energy Safety must have an in-depth understanding of incentive compensation denied as a result of a catastrophic wildfire caused by an electrical corporation.

Instructions: In Table 1.5.1, for each year in which the electrical corporation caused a catastrophic fire that resulted in one or more fatalities, the electrical corporation must provide the name of the catastrophic fire or fires that occurred that year, and for each executive officer, the percentage of the Total Incentive Compensation (TIC) awarded in that year compared to the target TIC, and the percentage of the Total Compensation (TC) awarded in that year compared to the target TC. The electrical corporation may use the Notes/Context field to provide additional narrative information for a catastrophic wildfire that supplements or provides context for the information entered in the Detailed Description/Explanation field. Any additional information provided must include an explanation of why the information is relevant to the information presented in the Detailed Description/Explanation field.

For purposes of calculating the percentage of TC, use the grant value of the compensation as determined for accounting purposes. Grant value is the value that is disclosed in proxy statement summary compensation tables for executive officers who are proxy officers. Percentages must be specified for each executive officer and not a range for various position levels.

Table 1.5.1
Catastrophic Wildfire Incentive History

Wildfire Year	Executive Title/ Function	Catastrophic Wildfire(s)	TIC Awarded as a Percent of Target	TC Awarded as a Percent of Target	Detailed Description/Explanation
SDG&E has not caused a catastrophic fire that resulted in one or more fatalities in the last five years.					

Notes/Context:

Section 1.6: Fixed versus Incentive Compensation

Rationale: As part of the documentation required to obtain a Certificate, Public Utilities Code section 8389(a)(6)(A)(i)(I) mandates that "the electrical corporation has established a compensation structure for any new or amended contracts, plans, or arrangements, whether written or unwritten, for executive officers" that meets several principles, including "strict limits on guaranteed cash compensation, with the primary portion of the executive officers' compensation based on achievement of objective performance metrics." To evaluate an electrical corporation's compliance with this requirement, Energy Safety needs to know: (a) who are the electrical corporation's executive officers and (b) what compensation structure exists.

Definition: "Executive officer" is defined in Public Utilities Code section 451.5(c) and "means any person who performs policy making functions and is employed by the public utility subject to the approval of the board of directors, and includes the president, secretary, treasurer, and any vice president in charge of a principal business unit, division, or function of the public utility." Energy Safety considers divisions or units responsible for electrical operations, gas operations or wildfire-related functions principal business units, divisions, or functions of the public utility.

Instructions: In Table 1.6.1, for each executive officer, the electrical corporation must provide the executive title and function, the executive name (if the executive is classified as an Officer of the Company per the Company's website), the target percentage of Base Salary, Short-Term Incentives (STIP), Long-Term Incentives (LTIP), and Indirect and Ancillary Compensation as a proportion of Total Compensation (TC) for the appropriate filing year. See the definition of the proceeding terms in Attachment 2.

Exclude all pension plans, whether qualified or non-qualified from Table 1.6.1. The total indirect and ancillary service costs reported in Table 1.6.1 must reconcile with the corresponding values in Table 1.7.1.

For purposes of calculating the percentage of TC, use the grant value of the compensation as determined for accounting purposes. Grant value is the value that is disclosed in proxy statement summary compensation tables for executive officers who are proxy officers. Percentages must be specified for each executive officer and not a range for various position levels.

Table 1.6.1
Fixed versus Incentive Compensation at the Target Level

Executive Title/ Function and Name (where applicable)	Target Base Salary as a Percent of TC[17]	Target Annual STIP as a Percent of TC[17]	Target Quarterly STIP as a Percent of TC	Target LTIP as a Percent of TC[17]	Indirect and Ancillary Compensation as a Percent of TC[17]
Scott Crider	[redacted]	[redacted]	n/a	[redacted]	[redacted]
Valerie Bille	[redacted]	[redacted]	n/a	[redacted]	[redacted]
Robert Borthwick	[redacted]	[redacted]	n/a	[redacted]	[redacted]
Kevin Geraghty	[redacted]	[redacted]	n/a	[redacted]	[redacted]
Maritza Mekitarian	[redacted]	[redacted]	n/a	[redacted]	[redacted]
Erbin Keith	[redacted]	[redacted]	n/a	[redacted]	[redacted]

List all types of indirect and ancillary compensation included in Table 1.6.1:

Personal liability insurance, Medjet, and financial planning.

[17] See footnote 1 above.

Section 1.7: Indirect or Ancillary Compensation

Rationale: Public Utilities Code section 8389(a)(6)(A)(iv) requires, for the issuance of a Certificate, that "the electrical corporation has established a compensation structure for any new or amended contracts, plans, or arrangements, whether written or unwritten for executive officers" that meets several principles, including "minimization or elimination of indirect or ancillary compensation that is not aligned with shareholder and taxpayer interest in the electrical corporation." To ensure that the compensation structure for new or amended contracts, plans, or arrangements, whether written or unwritten, whether written or unwritten for executives officers is based on this principle of minimization of indirect or ancillary compensation, Energy Safety must understand what indirect or ancillary compensation are given to executive officers.

Section 1.7.1: Indirect and Ancillary Compensation (not including Supplemental Executive Retirement Plans (SERPs))

Instructions: The electrical corporation must list all indirect and ancillary compensation (excluding SERP) provided to executive officers with new or amended contracts, plans, or arrangements, whether written or unwritten. See Attachment 2 for the definition of and a list of typical indirect or ancillary compensation. If the electrical corporation provides indirect or ancillary compensation, the electrical corporation must provide the current estimated proportion of TC for each executive officer. The total indirect and ancillary service costs reported in Table 1.7.1 must reconcile with the corresponding values Table 1.6.1. For purposes of calculating the percentage of TC, use the grant value of the compensation as determined for accounting purposes. Grant value is the value that is disclosed in proxy statement summary compensation tables for executive officers who are proxy officers. The electrical corporation must specify percentages for each executive officer and not a range for various position levels. The electrical corporation must exclude all pension plans whether qualified or non-qualified in Table 1.7.1. The electrical corporation may add rows and explanatory notes as necessary.

Table 1.7.1
Current Year Indirect or Ancillary Compensation Example (Excluding SERP)

Executive Title	Current Year Indirect or Ancillary Compensation Element	Eligibility Requirements	Frequency (One-time, Annual, Other)	Current Estimated Proportion of Current Year TC[18]
All Executive Officers	Personal Liability Insurance	All Executive Officers	Annual	[redacted]
All Executive Officers	Medjet	All Executive Officers	Annual	[redacted]
All Executive Officers Except COO	Financial Planning	All Executive Officers	Annual	[redacted]

[18] See footnote 1 above.

Section 1.7.2: Supplemental Executive Retirement Plans (SERPs)

Instructions: Provide details of the SERP for all executive officers as defined in Public Utilities Code Section 451.5 and Attachment 2.

1) Availability of Supplemental Retirement Plans

Does the electrical corporation have supplemental retirement plans for non-Executive Officers? Check one:

Yes: ☐ No: ☒

If "Yes", describe the eligibility requirements for the plan(s):

SDG&E's executive officers do not participate in the SERP, but do participate in the Cash Balance Restoration Plan.

2) Structure of Supplemental Retirement Plans

If supplemental retirement plans are available, describe:

- The eligibility requirements for participation in the plan(s).
- The award basis for plan(s) (e.g., years of service, company stock performance over the period of service, etc.).
- The type of payment made (e.g., cash, stock, combination of cash and stock).
- The award schedule for the plan(s).

The Cash Balance Restoration Plan restores the benefits that would otherwise be provided under the qualified Cash Balance Plan but for Internal Revenue Service limits applicable to tax-qualified plans. Benefits are paid in cash. Benefits are paid in a lump sum or as an annuity following retirement, based on the employee's payout election.

3) Supplemental Retirement Plan Benefits

Instructions: Provide SERP values for all executive officers described in the electrical corporation's executive compensation submission. If an executive officer is not eligible for the SERP, please indicate.

Table 1.7.2
SERP Values

Executive Title[19]	Number of Years Credited Service as of Current Year	Present Value of Accumulated Benefit – Previous Year as a % of TDC[20,21]	Cash Balance Account Lump Sum Value – Previous Year as a % of TDC[20,22]
President	23	[redacted]	[redacted]
SVP and Chief Financial Officer	11	[redacted]	[redacted]
Chief Operating Officer	6	[redacted]	[redacted]
Former SVP and General Counsel	27	[redacted]	[redacted]

[19] Mr. Borthwick and Ms. Mekitarian were not executive officers in 2025.
[20] See footnote 1 above.
[21] 2025 Cash Balance Restoration Plan Service Cost, consistent with SEC Form 14-A proxy pay versus performance disclosure methodology, as a percentage of 2025 TDC.
[22] 2025 Cash Balance Service Cost, consistent with proxy pay versus performance disclosure methodology, as a percentage of 2025 TDC.

Section 1.8: ACR 9 Executive Compensation Proposal

As per D. 20-05-053, the Commission has obligated PG&E to comply with the requirements of the Assigned Commissioner Ruling (ACR) Executive Compensation Proposal 9. PG&E must note in its submission how it is addressing the various additional requirements

Other electrical corporations are encouraged to review and consider adopting measures from the ACR Executive Compensation Proposal 9 in the spirit of transparency and furthering the purpose of AB 1054.

If an electrical corporation adopts measures from the ACR Executive Compensation Proposal the electrical corporation must note in its submission how its compensation structure addresses the elements set forth in Public Utilities Code section 8389(a).

Section 1.8.1: ACR Executive Compensation Proposal Alignment

Instructions: PG&E must demonstrate how it complies with the additional requirements set forth in ACR 9. PG&E must provide an explanation of how its compensation structure aligns or does not align with the element for each element of ACR 9.

Other electrical corporations may demonstrate how they comply with the additional requirements set forth in ACR 9. Other electrical corporations may provide an explanation of how their compensation structure aligns or does not align with each element of ACR 9.

SDG&E's Review of Assigned Commissioner Ruling Executive Compensation Proposal 9:

The 2026 Guidelines encourage electrical corporations other than PG&E to review and consider adopting the executive compensation requirements that apply to PG&E pursuant to the final decision approving PG&E's reorganization plan (D.20-05-053), which obligated PG&E to comply with the requirements proposed in ACR Executive Compensation Proposal 9 ("ACR-9"). SDG&E has reviewed the requirements of ACR-9, which are not applicable to SDG&E. As Energy Safety has recognized since the passage of Assembly Bill 1054, SDG&E's executive compensation structure complies with the requirements of Public Utilities Code Section 8389, promotes safety as a priority, and helps ensure public safety and utility financial stability.

While SDG&E is under no obligation to comply or adhere to the requirements of ACR-9, the intent and substance of SDG&E's executive compensation structure align with most of the ACR-9 requirements, as further reflected below. Since 2020, SDG&E has also adopted additional practices described in ACR-9, including the retention of an independent compensation consultant in 2023. To the extent that SDG&E's executive compensation program differs from the ACR-9 requirements for PG&E, the features of SDG&E's program reflect the independent judgment and discretion of SDG&E's Board of Directors, as well as the Board's Safety Committee and Compensation Committee.

1) **Publicly disclosed compensation arrangements for executives.**

As part of its annual report pursuant to General Order No. 77-M, SDG&E publicly discloses compensation for executives with base salaries of at least $250,000.

2) **Written compensation agreements for executives.**

SDG&E does not have employment contracts for executive officers. SDG&E's short-term incentive plan and long-term incentive plan award agreements are updated annually.

3) **Guaranteed cash compensation as a percentage of total compensation that does not exceed industry norms.**

SDG&E places an emphasis on variable performance-based pay, providing a greater proportion of target annual compensation through performance-based short-term incentives and LTIP rather than base salary.

4) **Holding or deferring the majority or super-majority of incentive compensation, in form of equity awards, for at least three years.**

SDG&E's performance-based restricted stock unit awards are subject to three-year cliff vesting and our restricted stock unit awards vest over a three-year period. Executive officers are subject to stock ownership guidelines that require them to achieve and maintain significant equity holdings.

5) **Basing a significant component of long-term incentive compensation on safety performance, as measured by a relevant subset of by the Safety and Operational Metrics to be developed, as well as customer satisfaction, engagement, and welfare. The remaining portion may be based on financial performance or other considerations.**

As explained above, SDG&E's long term compensation program is based on company financial performance. SDG&E's financial performance, however, is inexorably tied to company safety performance, as well as overall customer satisfaction, engagement, and welfare, in that if the company experiences an adverse safety event, it will likely adversely impact financial and stock performance – thus reducing overall long-term compensation. This is illustrated by the financial performance of PG&E, whose stock was at an all-time high in 2017 prior to a precipitous drop after the 2018 wildfires.

6) **Annual review of awards by an independent consultant.**

SDG&E's Board of Directors periodically retains an independent compensation consultant to review and advise on aspects of executive compensation and ICP awards.

7) **Annual reporting of awards to the CPUC through a Tier 1 advice letter compliance filing.**

As part of its annual report pursuant to General Order No. 77-M, SDG&E publicly discloses compensation for executives with base salaries of at least $250,000, including awards to those executives.

8) A presumption that a material portion of executive incentive compensation shall be withheld if the PG&E is the ignition source of a catastrophic wildfire, unless the Commission determines that it would be inappropriate based on the conduct of the utility.

The Board of Directors has discretion to reduce or eliminate an annual incentive award in the event of a significant lapse in safety or compliance, including if SDG&E is the ignition source of a catastrophic wildfire. Consistent with Public Utilities Code Section 8389(e)(4), "this may include tying 100 percent of incentive compensation to safety performance and denying all incentive compensation in the event the electrical corporation causes a catastrophic wildfire that results in one or more fatalities."

SDG&E does not believe it would be prudent for the company to implement the presumption that is required for PG&E because (i) the presumption of ACR-9 was tied to conduct specific to PG&E and unrelated to SDG&E, and (ii) implementing such a presumption would unnecessarily make positions at SDG&E less attractive for recruitment purposes, especially when compared to compensation packages from the companies and industries where we recruit (including utilities other than the California electrical corporations).

9) Executive officer compensation policies will include provisions that allow for restrictions, limitations, and cancellations of severance payments in the event of any felony criminal conviction related to public health and safety or financial misconduct by the reorganized PG&E, for executive officers serving at the time of the underlying conduct that led to the conviction. Implementation of this policy should take into account PG&E's need to attract and retain highly qualified executive officers.

SDG&E's severance agreements provide that severance benefits are not paid in connection with a termination for cause, which can include, but is not limited to, grossly negligent performance of the executive's duties and willful criminal conduct involving acts of moral turpitude resulting in an adverse effect for the company. SDG&E does not believe that it would be prudent to include this specific provision from ACR-9 because i) implementing these severance provisions would unnecessarily make positions at SDG&E less attractive for recruitment purposes, and ii) this provision of ACR-9 addresses actions specific to PG&E and its reorganization in the context of the concurrent criminal investigations of PG&E's conduct leading to catastrophic wildfires.