



Laura M. Fulton
Senior Counsel
8330 Century Park Court, CP32F
San Diego, CA 92123-1548
LFulton@SDGE.com

VIA ELECTRONIC MAIL

Caroline Thomas Jacobs, Director
Office of Energy Infrastructure Safety
California Department of Natural Resources
715 P Street, 20th Floor Sacramento, CA 95814
caroline.thomasjacobs@energysafety.ca.gov

March 14, 2022

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

Dear Director Jacobs,

In response to the Office of Energy Infrastructure Safety's (Energy Safety) Executive Compensation Structure Submission Guidelines (2022 Guidelines), and in accordance with Public Utilities Code §§ 8389(e)(4) and (e)(6), San Diego Gas & Electric Company (SDG&E) submits its request for approval of its 2022 executive 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 2022 executive compensation structure carries forward numerous elements that were included in its 2021 executive compensation structure – which Energy Safety approved. SDG&E has also made certain changes, as described in the enclosed submission, which continue to promote safety as a priority and meet the goals of the AB 1054.

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

Section 1: Incentive Compensation Components

Instructions: In Table 1.1, for each executive officer subject to the executive compensation filing requirements, 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 2022 filing year. See the definition of the proceeding terms in **Attachment 2**.

For purposes 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.

**Table 1.1
Incentive Compensation at the Target Level**

Executive Title/ Function and Name (where applicable)	Target STIP as a Percent of TIC	Target LTIP as a Percent of TIC ¹
SDG&E CEO, Caroline Winn	26%	74%
SDG&E President & CFO, Bruce Folkmann	26%	74%
SDG&E SVP & General Counsel, Diana Day	28%	72%
SDG&E VP, Controller & Chief Accounting Officer, Valerie Bille	34%	66%

¹ SDG&E’s LTIP calculations do not include special time-restricted stock-based compensation in the form of recognition awards and made in the sole discretion of SDG&E’s parent corporation, Sempra. Sempra’s Energy With Purpose Awards Policy 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 are post-performance awards that may be paid outside or after the year(s) of performance and are not a component of the executives’ guaranteed or incentive compensation structures.

Section 2: Executive Officer Exclusion Rationale

Instructions: For the purpose of completing Table 2.1, 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 Pub. Util. Code § 451.5(c). For those positions, provide a simple explanation regarding why the executives holding those positions are not considered “executive officers” as set forth in Pub. Util. Code § 451.5(c). Examples:

- This position does not perform policy making functions.
- This position is not employed by the public utility.
- This position is not subject to approval of the board of directors.

**Table 2.1
Pub. Util. Code § 451.5(c) Exclusion Rationales**

Executive Title/ Function	
SDG&E SVP, Customer Service & External Affairs	SDG&E has excluded the SVP as this is not a policy making role, and the individual does not perform policy making functions.
SDG&E SVP, Electric Operations	SDG&E has excluded the SVP as this is not a policy making role, and the individual does not perform policy making functions.
SDG&E SVP, CIO & 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.
SVP, State Government Affairs & 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.

Section 3: Short-Term Incentive Program (STIP)

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, repeat this information for each mechanism (e.g., Quarterly and Annually).

Section 3a: STIP Structure

i) STIP Payment Type (check one):

Cash: Other:

If other, please describe:

ii) Use of Any Performance Triggers

Does the electrical corporation's 2022 STIP use any performance triggers (e.g., must achieve annual earnings per share of at least XYZ before any STIP payments are made)? Check one: Yes: No:

If "Yes", please describe any performance triggers:

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

iii) Use of Any Automatic Deductions

Does the electrical corporation's 2022 STIP have any automatic 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", please describe all automatic deductions:

iv) Use of a Performance Range - 2021

Were the 2021 STIP payouts based on a performance range (i.e., below minimum/threshold, minimum/threshold, target, maximum)? Check one:

Yes: No:

Did the electrical corporation use one range for all 2021 STIP metrics or differing ranges based on the category of metric)? Check one:

One range for all metrics: Multiple ranges:

Provide the 2021 STIP metric performance range(s):

**Table 3a.1
2021 STIP Metric Performance Range(s)**

	Below Minimum	Minimum	Target	Maximum
EMPLOYEE & PUBLIC SAFETY OPERATIONS				
<u>System and Customer Safety</u>				
<u>Electric Safety and Reliability</u>				
Overhead System Hardening (miles)	0%	0%	100%	200%
Underground System Hardening (miles)	0%	0%	100%	200%
All Other STIP Metrics	0%	0%	100%	200%
Wildfire Safety Communications	0%	0%	100%	200%
Average Days for Tier 3 Level 1 Corrections	0%	0%	100%	200%
Vegetation Contacts in HFTD	0%	0%	100%	200%
PSPS Average Circuit Restoration Time	0%	0%	100%	200%
Wildfire Risk Events	0%	0%	100%	200%
System Average Interruption Duration Index (SAIDI)	0%	0%	100%	200%
<u>Gas Safety</u>				
Distribution Integrity Management Program	0%	0%	100%	200%
Damage Prevention (Damages per USA Ticket Rate)	0%	0%	100%	200%
Mobile Home Park Retrofit Program	0%	0%	100%	200%
P1 Gas Response Time (Minutes)	0%	0%	100%	200%
PSEP Line 1600 - Project Progress	0%	0%	100%	200%
<u>Employee Safety</u>				

Zero employee electric contacts	0%	0%	0%	200%
Lost Time Incident (LTI) Rate	0%	0%		200%
ESCMP	0%	0%	100%	200%
ESCMP Findings Mediated	0%	0%		200%
Field Observations	0%	0%	100%	200%
Near Misses Reported	0%	0%	100%	200%
CUSTOMER SERVICE				
SDG&E Listens Survey (Voice of the Customer)	0%	0%	100%	200%
Envision: Deploy and begin serving customers	0%	0%	0%	200%
DIVERSITY AND INCLUSION				
Diversity and Inclusion Action Plan Progress	0%	0%		200%
Community Relations	0%	0%	100%	200%
Supplier Diversity	0%	0%	100%	200%
FINANCIAL GOALS (in Millions)				
SRE Earnings	0%	0%	100%	200%
SDG&E Earnings	0%	0%	100%	200%

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

Straight line interpolation between minimum and target and target and maximum for all goals except those noted below.

*Zero employee electric contacts and Envision goals are paid at zero for performance below maximum and 200% for maximum.

*Payouts for Lost Time Incident Rate, ESCMP Findings Mediated, and Diversity and Inclusion are interpolated between minimum and maximum.

*Payout scale for earnings goals is zero at minimum, 50% of target at performance at the minimum + 25% of the difference between minimum and target, 100% of target and straight-line interpolation between target and maximum.

v) Use of a Performance Range - 2022

Do the 2022 STIP payouts include a performance range (i.e., below minimum/threshold, minimum/threshold, target, maximum)? Check one:

Yes: No:

Is the electrical corporation using one range for all 2022 STIP metrics or differing ranges based on the category of metric)? Check one:

One range for all metrics: Multiple ranges:

Provide the 2022 STIP metric performance range(s):

**Table 3a.2
2022 STIP Metric Performance Range(s)**

	Below Minimum	Minimum	Target	Maximum
OPERATING GOALS				
EMPLOYEE & PUBLIC SAFETY/SUSTAINABILITY				
<u>Electric Safety and Reliability</u>				
Wildfire & PSPS System Hardening	0%	0%	100%	200%
Vegetation Contacts in HFTD	0%	0%	100%	200%
PSPS Average Circuit Restoration Time (Hours)	0%	0%	100%	200%
Wildfire Risk Events	0%	0%	100%	200%
System Average Interruption Duration Index (SAIDI)	0%	0%	100%	200%
Annual Average Phishing Report Rate	0%	0%	100%	200%
<u>Gas Safety</u>				
Distribution Integrity Management Program - Miles of Vintage Mains & Services Replaced	0%	0%	100%	200%
Damage Prevention (Damages per USA ticket rate)	0%	0%	100%	200%
P1 Gas Response Time (Minutes)	0%	0%	100%	200%
<u>Employee Safety</u>				
Lost Time Incident (LTI) Rate	0%	0%	100%	200%
Controllable Motor Vehicle Incidents (CMVI)	0%	0%	100%	200%
Field Observations	0%	0%	100%	200%
Near Misses Reported	0%	0%	100%	200%
OTHER OPERATIONAL/SUSTAINABILITY				
SDG&E Listens Survey (Voice of the Customer)	0%	0%	100%	200%
Virtual Power Plant - Phase of Production	0%	0%	100%	200%

Diversity, Equity and Inclusion Action Plan Progress	0%	0%	100%	200%
Community Relations	0%	0%	100%	200%
Supplier Diversity	0%	0%	100%	200%
FINANCIAL GOALS				
SRE Earnings	0%	0%	100%	200%
SDG&E Earnings	0%	0%	100%	200%

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

Straight line interpolation between minimum and target and target and maximum for all goals except earnings.

*Payout scale for earnings goals is zero at minimum, 50% of target at performance at the minimum + 25% of the difference between minimum and target, 100% of target and straight-line interpolation between target and maximum.

vi) Use of Performance Modifiers

Does the electrical corporation's STIP involve the use of any of the following types of performance modifiers? If so, please describe.

Individual Performance Modifier:

Yes: No:

If Yes, Describe and Quantify for Each Individual:

Company Performance Modifier:

Yes: No:

If Yes, Describe and Quantify:

Board Discretion:

Yes: No:

If Yes, Describe and Quantify:

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 3b: 2021 STIP Metrics – Minimum, Target, Maximum and Actual

Instructions: Complete Table 3b.1 for the 2021 STIP metrics, adding lines as necessary. See **Attachment 3** for a discussion of categories and sub-categories. Add lines as needed.

**Table 3b.1
2021 STIP – Minimum, Target and Maximum Versus Actual**

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Actual Performance	Weighted Contribution
Safety	Wildfire	Overhead System Hardening (miles)	Leading	3%	119	124	129	137.7	6.00%
Safety	Wildfire	Underground System Hardening (miles)	Leading	3%	20	22.5	25	26.24	6.00%
Safety	Wildfire	Wildfire Safety Communications	Leading	2%	76%	82%	85%	84.8%	3.87%
Safety	Public Safety-Other Electric 1	Average Days for Tier 3 Level 1 Corrections	Leading	2%	3	2	1	0.48	4.00%
Safety	Wildfire	Vegetation Contacts in HFTD	Lagging/Outcome	2%	22	16	10	9	4.00%
Safety	Wildfire	PSPS Average Circuit Restoration Time	Leading	2%	24	22	20	3.28	4.00%
Safety	Wildfire	Wildfire Risk Events	Lagging/Outcome	2%	481	411	376	466	0.43%
Safety	Public Safety-Gas 2	Distribution Integrity Management Program	Lagging/Outcome	4%	42	47	52	52.06	8.00%
Safety	Public Safety-Gas 2	Damage Prevention (Damages per USA Ticket Rate)	Lagging/Outcome	3%	1.82	1.66	1.58	1.66	3.00%
Safety	Public Safety-Gas 2	Mobile Home Park Retrofit Program	Lagging/Outcome	2%	1,020	1,130	1,180	1,181	4.00%
Safety	Public Safety-Gas 2	P1 Gas Response Time (Minutes)	Lagging/Outcome	2%	33.5	32	30	29.1	4.00%
Safety	Public Safety-Gas 2	PSEP Line 1600 - Project Progress	Lagging/Outcome	2%	5	6	7	7	4.00%

Safety	Workforce Safety	Zero employee electric contacts	Lagging/Outcome	3%			0	0	6.00%
Safety	Workforce Safety	Lost Time Incident (LTI) Rate	Lagging/Outcome	3%	0.56		0.36	0.44	3.60%
Safety	Workforce Safety	Controllable Motor Vehicle Incidents (CMVI)	Lagging/Outcome	2%	50	40	30	24	4.00%
Safety	Workforce Safety	ESCMP Findings Mediated	Leading	3%	90%		100%	100%	6.00%
Safety	Workforce Safety	Field Observations	Leading	3%	14,800	15,800	16,800	17,178	6.00%
Safety	Workforce Safety	Near Misses Reported	Leading	3%	100	200	300	251	4.53%
Subtotal: Safety				46%					81%
Customer Service		System Average Interruption Duration Index (SAIDI)	Lagging/Outcome	3%	70	65.5	61	70.1	0.00%
Customer Service		SDG&E Listens Survey (Voice of the Customer)	Lagging/Outcome	3%	74%	80%	84%	76.6%	1.30%
Customer Service		Envision: Deploy and begin serving customers	Lagging/Outcome	1%			Q2 2021	Q2 2021	2.00%
Subtotal: Customer Service				7%					3%
DEI		Diversity and Inclusion Action Plan Progress	Leading	2%	Goal Not Met		Goal Met	Goal Met	4.00%
DEI		Community Relations	Leading	1%	50%	80%	100%	100.0%	2.00%
DEI		Supplier Diversity	Lagging/Outcome	2%	34%	38%	42%	39.13%	2.57%
Subtotal: DEI				5%					9%

Financial		SRE Earnings	Lagging/Outcome	12%	2,226	2,368	2,510	2,558	24.00%
Financial		SDG&E Earnings	Lagging/Outcome	15%	766	806	822	822	30.00%
Subtotal: Financial				27%					54%
Subtotal: Company Performance				85%					147%
Individual		Individual Performance and Individual Safety Performance		15%					

Section 3c: 2022 Short-Term Incentive Program

Instructions: Complete Table 3c.1 for the 2022 STIP. Provide details of the STIP metrics and minimum, target and maximum performance values for the filing year. Add additional lines as needed.

**Table 3c.1
2022 STIP Metrics**

Class	Sub-Class	Metric	Metric Type	Weight	Min	Target	Max
Performance Range							
Safety	Wildfire	Wildfire & PSPS System Hardening	Leading	5%	125	147	170
Safety	Wildfire	Vegetation Contacts in HFTD	Lagging/Outcome	5%	21	15	7
Safety	Wildfire	PSPS Average Circuit Restoration Time (Hours)	Leading	5%	24	22	20
Safety	Wildfire	Electric Overhead Fault Rate During Elevated Fire Potential	Lagging/Outcome	5%	1.47	1.14	0.97
Safety	Public Safety-Gas 2	Distribution Integrity Management Program - Miles of Vintage Mains & Services Replaced	Lagging/Outcome	5%	44	49	54
Safety	Public Safety-Gas 2	Damage Prevention (Damages per USA ticket rate)	Lagging/Outcome	5%	1.82	1.65	1.57
Safety	Public Safety-Gas 2	P1 Gas Response Time (Minutes)	Lagging/Outcome	5%	33.0	31.5	29.5
Safety	Workforce Safety	Lost Time Incident (LTI) Rate	Lagging/Outcome	5%	0.44	0.31	0.18
Safety	Workforce Safety	Controllable Motor Vehicle Incidents (CMVI)	Lagging/Outcome	3%	43	35	27
Safety	Workforce Safety	Field Observations	Leading	5%	15,178	16,178	17,178
Safety	Workforce Safety	Near Misses Reported	Leading	5%	200	250	350
Subtotal: Safety				53%			

Performance Range							
Security		Annual Average Phishing Report Rate	Leading	4%	65%	70%	75%
Subtotal: Security				4%			
Performance Range							
Customer Service		System Average Interruption Duration Index (SAIDI)	Leading	3%	70	66	61
Customer Service		SDG&E Listens Survey (Voice of the Customer)	Lagging/Outcome	3%	58	68	78
Subtotal: Customer Service				6%			
Performance Range							
ESG		Virtual Power Plant - Phase of Production	Leading	2%	1	2	3
Subtotal: ESG				2%			
Performance Range							
DEI		Diversity, Equity and Inclusion Action Plan Progress	Leading	3%	1	2	3
DEI		Community Relations	Leading	2%	76%	78%	80%
DEI		Supplier Diversity	Lagging/Outcome	2%	35	38	42
Subtotal: DEI				7%			
Performance Range							
Financial		SRE Earnings	Lagging/Outcome	12%	\$2,489	\$2,657	\$2,816
Financial		SDG&E Earnings	Lagging/Outcome	16%	\$827	\$870	\$887
Subtotal: Financial				28%			
Total				100%			

Section 3d: 2022 STIP Metric Definition and Calculation

Instructions: Provide detailed definitions, whether the metric is leading, lagging or outcome, and calculations for the 2022 STIP metrics. For each metric, provide a detailed 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, it would be able to derive the reported results.

**Table 3d.1
2022 STIP – Metric Definitions and Calculation**

Measure/Metric	Detailed Definition	Calculation Methodology	Any Adjustments/Exclusions
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 the distribution circuits or hardening the overhead distribution system to known local wind conditions.	This goal will be tracked by the project managers in the following programs and verified on the quarterly GIS reports. Programs include Transmission Wood to Steel, Strategic Underground, Overhead Hardening Program; Corrective Maintenance Program (CMP).	
Vegetation Contacts in HFTD	Measures the number of vegetation contacts in the High Fire Threat District (HFTD) annually.	Each vegetation contact with the primary voltage system that results in an outage, or an ignition is captured via our NMS system and by our reported by our Reliability Team. The Vegetation Management Team follows up on each tree contact to identify further details and action to be taken.	
PSPS Average Circuit Restoration Time (Hours)	Each electric investor-owned utility is instructed ensure that electric service to impacted service points is restored as soon as possible and within 24 hours from the termination of the de-energization event, unless it is unsafe to do so. Electric	Each PSPS de-energization event tied to a sectionalizing device is a record. Time is measured commencing at de-energized state of the sectionalizing device. The order to re-energize is tied to specific meteorological conditions as well as the availability of daylight and ability for air resources to safely conduct operations. If repairs are required as part of the patrol that inhibits the ability to re-energize the sectionalizing	

	service shall be restored only after facilities have been inspected and the utility has determined that service can be restored safely.	device, that record is not included in the average.	
Electric Overhead Fault Rate During Elevated Fire Potential	Measures overhead faults during conditions that may lead to increased wildfire risk.	Measures overhead faults in the High Fire Threat District (HFTD) caused by equipment issues 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 an ignition. Each fault that caused service interruption will have a record in our Network Management System and a record kept by our Reliability Team.	
Distribution Integrity Management Program - Miles of Vintage Mains & Services Replaced	Miles of pre-1986, Dupont Aldyl-A, plastic pipe mains and services replaced from service or abandoned.	Reports of the footage retired/replaced by DIMP including material and installation year for mains and services will be used to verify the ICP targets.	
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 SDG&E’s below ground facilities 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 damages is normalized by the number of USA tickets and multiplied by 1,000 to obtain the number of damages per 1,000 tickets. Normalizing by ticket counts factors in the year-to-year variation in construction and excavation activities that have a direct influence on 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	Targets are based on a three-year average of response times adjusted for anomalies including area odors.	

	Service Field or Gas Operations to respond to a Priority 1 gas emergency.		
Lost Time Incident (LTI) Rate	LTI - The Lost Time Incident Rate is expressed as the number of 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.	
Controllable Motor Vehicle Incidents (CMVI)	CMVI - Motor vehicle incident records in the electronic Safety Information Management System (or EHSM) will document controllability.	CMVI - Motor vehicle incident records in the electronic Safety Information Management System (or EHSM) will document controllability.	
Field Observations	The Company has developed a leading indicator safety metric which counts the number of documented observations to front-line employees.	An observation is defined as a visit to an employee's or crew's work site in which work is observed and documented, with at minimum the date of observation and notes on the observation. Note: Remote workers may get visited virtually, and Behavior Based Safety peer to peer observations are also eligible.	
Near Misses Reported	A leading indicator metric in which a near miss is reported by an employee of an event that resulted in no injuries or illnesses but could have easily resulted in an injury or illness.	Employees submit these near miss events through an SDGE desktop or mobile application designed specifically for near miss reporting. It is measured by counting the number of documented near misses submitted.	

Annual Average Phishing Report Rate	IT performs simulated Phishing exercises every month to raise employee awareness and establish good cyber security behaviors.	The Phishing Reporting Metric reflects the portion of employees that open the email and respond to the monthly simulated phishing exercises by reporting it as Spam, which sends it to the Cyber Security Center.	
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	Performance will be calculated using data reported as of January 15. Reduce the cumulative outage time experienced by the average electric customer (SAIDI). (+/- 3 minutes)	
SDG&E Listens Survey (Voice of the Customer)	This represents customers' assessment of how well SDG&E made the interaction easy for the customer.	The metric represents the top two ratings for the Made it Easy survey question for customers who rated their interaction with SDG&E a 4 or 5 on a 1-5 scale.	
Virtual Power Plant - Phase of Production	Plan and pilot a Virtual Power Plant pilot to further expand and leverage distribution-level resources to reduce GHG emissions, advance resource adequacy, and enhance grid resiliency.	Phase 1: Authorize vendors to develop systems for enrollment and dispatch of customer resources in a Virtual Power Plant. Phase 2: Install and make ready back-end systems to enroll and dispatch customer resources for participation in a Virtual Power Plant pilot. Phase 3: Establish customer program and incentive mechanisms for enrollment of customer resources into the Virtual Power Plant pilot.	

<p>Diversity, Equity and Inclusion Action Plan Progress</p>	<p>1. Complete D&I Officer Engagement Plan 2. Front-Line Supervisor Development Program 3. Employee Resource Groups</p>	<p>1. Total of 8 objectives. Note: The number of objectives in the officer engagement plan will be weighted equally. For example: if there are ten OEP objectives and five OEP objectives are completed, this goal would be counted as fifty percent complete versus zero percent for not completing all objectives. 2. Ensure D&I is incorporated into new front-line supervisor development program. 3. Implement guidelines and toolkit for ERG creation. Identify officers to spearhead establishment of new ERGs as determined by employee interest.</p>	
<p>Community Relations</p>	<p>80% of Direct and Directed Charitable Giving towards diverse & underserved communities.</p>	<p>2022 giving includes SDG&E direct, and SDG&E directed San Diego stipulated funding to go to diverse and underserved communities. Diverse and underserved communities defined as any grant that is coded as serving any of the following groups: ethnic minority (people of color), females, LGBTQ, homeless, ill, in crisis, low income, military status, physically/mentally disabled, seniors, students, or youth.</p>	
<p>Supplier Diversity</p>	<p>The Supplier Diversity attainment is calculated by dividing the DBE spend (tier 1,2, & 3) by the total spend for all goods and services.</p>	<p>We will continue to optimize DBE spend by eliminating pass-thru contracting that doesn't add value, reducing markups in subcontracting, expand subcontracting opportunities with tier 3 and seeking opportunities for diverse suppliers to take on prime roles.</p>	

<p>SDG&E Earnings</p>	<p>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.</p>		<p>Predefined Adjustment to SDG&E Earnings:</p> <ul style="list-style-type: none"> • Exclude the impact of any unplanned changes in tax laws or regulations and accounting rule changes. • 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: <ul style="list-style-type: none"> o 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 costs is not included in the SDG&E ICP earnings target. • 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 ICP earnings target. • Exclude items that are required to be excluded from ICP under SDG&E CPUC decisions. • Exclude the variance from plan of any impairments of the California AB 1054 Wildfire Fund. • Exclude the variance from plan of the liability insurance expense not recoverable through balancing accounts. • Exclude any earnings impact associated with the disallowance of the FERC CAISO participation return on equity adder. • Exclude any earnings impact associated with legacy litigation matters. • Exclude the variance from plan associated with any changes in the CPUC Cost of Capital. • Exclude any earnings impact associated with the COVID-19 CEMA filing. • Exclude the impact of authorized decisions of the Board that could impact earnings including, but not limited to, issuing debt or preferred stock securities
---------------------------	--	--	--

			<p>exceeding planned amounts to fund dividends, legal settlements, or other strategic expenses approved by the board.</p> <p>In addition, after year-end close, and at the discretion of the SDG&E Board of Directors, 2022 SDG&E Earnings for ICP purposes may exclude the after-tax effect of the difference between:</p> <ul style="list-style-type: none">• the actual and planned Corporate and SoCalGas ICP allocations to SDG&E; and• the actual and planned Corporate and SoCalGas departments' Shared Service charge.
--	--	--	---

<p>SRE Earnings</p>	<p>Sempra Energy 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.</p>		<p>Predefined Adjustments to Earnings</p> <ul style="list-style-type: none"> • Exclude the impact of any unplanned changes in tax laws or regulations and accounting rule changes. • 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: <ul style="list-style-type: none"> • 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 • non-recurring gains or losses related to RBS Sempra Commodities • 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 the variance from plan of impacts associated with the non-controlling interest sale of Sempra Infrastructure Partners, including timing variances. • 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 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.
---------------------	--	--	---

			<ul style="list-style-type: none">• Exclude variance from plan of any impairments of the California AB 1054 Wildfire Fund.• Exclude variance to plan of the impact of material, pending regulatory matters, such as the California Cost of Capital and FERC ISO adder.• Exclude one-time nonqualified 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.
--	--	--	--

Section 3e: STIP Changes

Instructions: Describe any changes between 2021 and 2022 in terms of STIP eligibility, structure, modifiers, metrics (including changes to minimum/threshold, target and maximum performance values), weightings and definitions. Explain the reason for the change(s).

SDG&E engages in an extensive goal development process on an annual basis that reviews and establishes Company priorities for the year, concluding with approval of the goals 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.

Changes to the STIP for 2022 include increased weighting for each safety goal (e.g., all goals other than motor vehicle incidents weighted at 5% or greater) and DEI measures, revisions to some goal definitions and metrics to reflect improvements in measuring or capturing applicable data, consolidation of certain goals and revised weighting (e.g., system hardening efforts), and new goals addressing:

- *Annual Phishing Report Rate, to promote cybersecurity;
- *Virtual power plant, which promotes sustainability;
- *Electric Overhead Faults During Elevated Conditions, to reflect electrical faults resulting in elevated wildfire risk.

Certain 2021 measures were not included in the 2022 plan or were combined into one measure to reduce the number of measures and allow greater weighting for each measure.

Section 3f: Historical STIP Data

Instructions: Provide historical performance data (five years) for 2022 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. Add rows as necessary.

Table 3f.1
STIP Metric Historical Actual Performance

Metric	2017	2018	2019	2020	2021
Wildfire & PSPS System Hardening	N/A	N/A	N/A	253.3	163.6
Vegetation Contacts in HFTD	22	12	6	6	9
PSPS Average Circuit Restoration Time (Hours)	N/A	N/A	N/A	N/A	3.28
Electric OH Fault Rate During Elevated Fire Potential	0.953	0.896	1.204	1.171	1.278
Distribution Integrity Management Program - Miles of Vintage Mains & Services Replaced	14.5	22.5	46.93	51.19	52.06
Damage Prevention (Damages per USA ticket rate)	2.51	2.45	2.04	1.66	1.66
P1 Gas Response Time (Minutes)	N/A	N/A	32.02	29.6	29.1
Lost Time Incident (LTI) Rate	0.53	0.71	0.46	0.36	0.44
Controllable Motor Vehicle Incidents (CMVI)	38	42	33	40	24
Field Observations	2,112	9,157	11,843	15,801	17,178
Near Misses Reported	N/A	N/A	N/A	N/A	251
Annual Average Phishing Report Rate	86	92	49	56	68
System Average Interruption Duration Index (SAIDI)	60.63	72	66	65.25	70.1
SDG&E Listens Survey (Voice of the Customer)	N/A	N/A	N/A	83.5%	76.6%
Virtual Power Plant - Phase of Production	N/A	N/A	N/A	N/A	N/A
Diversity, Equity and Inclusion Action Plan Progress	N/A	N/A	N/A	N/A	Goal Met
Community Relations	N/A	N/A	N/A	N/A	100%
Supplier Diversity	44.57%	43.94%	40.86%	41.75%	39.13%

SRE Earnings (\$M)	1,377	1,576	1,980	2,339	2,558
SDG&E Earnings (\$M)	643	675	766	823	822

Notes/Context:

Shaded cells indicate that the performance measure was not included in the STIP target for the year indicated.

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.

Section 3g: 2021 STIP Adjustments

Instructions: Provide a detailed explanation of any increases and decreases in STIP compensation in 2021 due to failure to meet safety or other targets. Separately describe any adjustments to STIP compensation levels made by the Compensation Committee or executive management and the amount and reason for the reduction. 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.

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

Wildfire Risk Events: Target at 411; Actual performance at 466 (fewer is better). Actual performance was within range, but STIP compensation was reduced below target for this goal.

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

System Average Interruption Duration Index (SAIDI): Target at 65.5 min; Actual at 70.1 min (fewer is better). Actual measurement below minimum and no STIP compensation paid associated with this goal. SDG&E Listens Survey: Target at 80%; Actual at 76.6% (higher is better). Actual performance was within range, but STIP compensation was reduced below target for this goal.

iii) Any additional deductions made by the Compensation Committee or Executive Management:

N/A

iv) Any upward adjustments:

N/A

Section 4: Long-Term Incentive Program (LTIP)

Section 4a: LTIP Structure

Instructions: Provide name, title/function, grant date and estimated award percentage of TIC for each executive officer listed in Table 1.1 that receives or is expected to receive direct compensation under a LTIP for the applicable years. For purposes of calculating the Grant Value as a 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. For purposes of calculating Earned Value as a percentage of TIC, use the value at the date of vesting. Percentages must be specified for each executive officer and not a range for various position levels. Provide a table for each executive officer. Make copies of the Table 4a.1 table as necessary.

**Table 4a.1
2021 and 2022 LTIP Grants**

CEO-Caroline Winn		
LTI Type	2021 Performance Year	2022 Performance Year
	Grant Date Fair Value as a % of TIC	Target Value as a % of TIC
Stock Grant	N/A	N/A
Stock Option	N/A	N/A
Restricted Stock Unit (RSU)	24%	23%
Performance Share Unit (PSU)/Performance Restricted Stock Unit (PRSU)	50%	51%
Cash Performance Payment	N/A	N/A
Other	N/A	N/A
President & CFO-Bruce Folkmann		
LTI Type	2021 Performance Year	2022 Performance Year
	Grant Date Fair Value as a % of TIC	Target Value as a % of TIC
Stock Grant	N/A	N/A
Stock Option	N/A	N/A
Restricted Stock Unit (RSU)	23%	23%
Performance Share Unit (PSU)/Performance Restricted Stock Unit (PRSU)	50%	51%
Cash Performance Payment	N/A	N/A
Other	N/A	N/A

SVP & General Counsel-Diana Day		
LTI Type	2021 Performance Year	2022 Performance Year
	Grant Date Fair Value as a % of TIC	Target Value as a % of TIC
Stock Grant	N/A	N/A
Stock Option	N/A	N/A
Restricted Stock Unit (RSU)	23%	22%
Performance Share Unit (PSU)/Performance Restricted Stock Unit (PRSU)	49%	50%
Cash Performance Payment	N/A	N/A
Other	N/A	N/A
VP, Controller & Chief Accounting Officer-Valerie Bille		
LTI Type	2021 Performance Year	2022 Performance Year
	Grant Date Fair Value as a % of TIC	Target Value as a % of TIC
Stock Grant	N/A	N/A
Stock Option	N/A	N/A
Restricted Stock Unit (RSU)	21%	20%
Performance Share Unit (PSU)/Performance Restricted Stock Unit (PRSU)	44%	45%
Cash Performance Payment	N/A	N/A
Other	N/A	N/A

If “Other” LTIP Type indicated, provide explanation:

N/A

i) Is any LTIP compensation not at risk?

Yes: No:

Describe/Explain:

Payouts for PSUs are based on a performance range.

SDG&E’s LTIP compensation is equity-based and at risk because the value the grant recipient will ultimately receive will depend on SDG&E’s performance and the performance of its parent company, Sempra. At any point in time, this stock can lose value, even all its value.

ii) Were the 2021 LTIP payouts determined based on a performance range (i.e., below minimum/threshold, minimum/threshold, target, maximum)? Check one:

Yes: No:

iii) Did the electrical corporation use one range for all 2021 LTIP metrics or differing ranges based on the category of metric)? Check one:

One range for all metrics: Multiple ranges:

iv) Provide the 2021 LTIP metric range(s):

**Table 4a.2
2021 LTIP Performance Range(s)**

Table 4a.2	
2021 LTIP Performance Range(s)	
Metric	Performance Range
Sempra total shareholder return vs. S&P 500 Utilities Index	See Table 1 below
Sempra total shareholder return vs. S&P 500 Index	See Table 1 below
Sempra Earnings Per Share Growth	See Table 2 below

Table 1	
Sempra Total Shareholder Return Percentile Ranking vs. Peer Group¹⁵	Percentage of Number of Restricted Stock Units that Vest
90 th	200%
80 th	175%
70 th	150%
60 th	125%
50 th	100%
40 th	70%
35 th	55%
30 th	40%
25 th	25%

Below 25 th	0%
------------------------	----

Table 2	
Sempra Earnings Per Share Growth	Percentage of Target Number of Restricted Stock Units that Vest
2020 - 2023	
7.90%	200%
6.90%	150%
6.40%	100%
4.20%	25%
Below 4.2%	0%

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

Straight line.

v) Provide the 2022 LTIP metric range(s):

**Table 4a.3
2022 LTIP Performance Range(s)**

Metric	Performance Range
Sempra total shareholder return vs. S&P 500 Utilities Index	See Table 1 below
Sempra total shareholder return vs. S&P 500 Index	See Table 1 below
Sempra Earnings Per Share Growth	See Table 2 below

Table 1	
Sempra Total Shareholder Return Percentile Ranking vs. Peer Group ¹⁵	Percentage of Number of Restricted Stock Units that Vest
90 th	200%
80 th	175%
70 th	150%
60 th	125%
50 th	100%
40 th	70%
35 th	55%
30 th	40%
25 th	25%
Below 25 th	0%

Table 2	
Sempra Earnings Per Share Growth	Percentage of Target Number of Restricted Stock Units that Vest
2021 - 2024	
8.60%	200%
7.60%	150%
6.30%	100%
5.00%	25%
Below 5.0%	0%

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

i) Use of Any Performance Triggers

Does the electrical corporation's 2022 LTIP 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”, please describe any performance triggers:

vii) Use of Any Automatic Deductions

Does the electrical corporation’s 2022 LTIP have any automatic 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”, please describe all automatic deductions:

Section 4b: LTIP General Eligibility

Table 4b.1
LTIP Eligibility

Instructions: Provide a general description of the executive officers eligible for the electrical corporation's long-term incentive program. Add additional lines as needed.

All executive officers of SDG&E participate in Sempra's LTIP. Target values of annual LTIP awards are based on a percentage of salary. 2022 targets are set forth below:	
CEO: Caroline Winn	190%
President & CFO: Bruce Folkmann	160%
SVP & General Counsel: Diana Day	120%
VP, Controller & Chief Accounting Officer: Valerie Bille	80%

Section 4c: LTIP Measures, Weighting and Award Basis

Instructions: For each LTIP Type, indicate weighting and basis of award. If basis of award differs amongst position or person, copy Table 4c.1 and Table 4c.2 as necessary and indicate who the table applies to in space provided at the top of the table. Add additional tables if LTIP varies for certain officer classifications.

**Table 4c.1
2021 LTIP Measures, Weighting and Award Basis**

Executive Title/ Function and Name: All Executive Officers		
LTI Type	2021 Weight	2021 Performance Year LTIP Award Basis
Stock Grant	N/A	
Stock Option	N/A	
RSU	One-third	
PSU/ PRSU	Two-thirds	<ul style="list-style-type: none"> • Performance-Based Restricted Stock Units (weighted at two-thirds collectively) • One-third based on 3-year relative total shareholder return (TSR) – Half based on 3-year relative TSR vs. S&P 500 Utilities Index – Half based on 3-year relative TSR vs. S&P 500 Index • One-third based on 3-year EPS CAGR with payout scale set based on forward consensus estimates of S&P 500 Utilities peers.
Cash	N/A	
Weighting Total:	100%	

**Table 4c.2
2022 LTIP Measures, Weighting and Award Basis**

Executive Title/ Function and Name: All Executive Officers		
LTI Type	2022 Weight	2022 Performance Year LTIP Award Basis
Stock Grant	N/A	
Stock Option	N/A	
RSU	One-third	

Executive Title/ Function and Name: All Executive Officers		
LTI Type	2022 Weight	2022 Performance Year LTIP Award Basis
PSU/ PRSU	Two-thirds	<ul style="list-style-type: none"> • Performance-Based Restricted Stock Units (weighted at two-thirds collectively) • One-third based on 3-year relative total shareholder return (TSR) – Half based on 3-year relative TSR vs. S&P 500 Utilities Index – Half based on 3-year relative TSR vs. S&P 500 Index • One-third based on 3-year EPS CAGR with payout scale set based on forward consensus estimates of S&P 500 Utilities peers.
Cash	N/A	
Other		
Weighting Total:	100%	

Section 4d: 2022 LTIP Measures, Definitions and Calculations

Instructions: Provide detailed definitions and calculations for the 2022 LTIP metrics. For each metric, provide a detailed 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, it would be able to derive the reported results. Also provide the weight given to the metric and the minimum, target, and maximum values for the metric.

**Table 4d.1
2022 LTIP Measures**

Measure/Metric	Detailed Definition	Calculation Methodology	Any Adjustment/ Exclusions	Weight	Min.	Target	Max.
Relative Total Shareholder Return 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. 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 Energy's cumulative total shareholder return	N/A	One-sixth	See 4a.2 above		

		(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)				
Relative Total Shareholder Return vs. S&P 500 Index	Measures TSR over the three-year performance period for Sempra relative to the S&P 500 Index peers. 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	N/A	One-sixth	See 4a.2 above	

		performance period) of Sempra Energy'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 the three-year compound annual growth rate (CAGR) of Sempra's earnings	Based on the compound annual growth rate of Sempra 2021 and 2024 earnings per share.	See adjustments listed under 3d for Sempra earnings. Comparability adjustments may be applied for items such as acquisitions and divestitures. Excludes stock buybacks not contemplated	One-third	See 4a.2 above	

			as of the date of grant.			
--	--	--	--------------------------	--	--	--

Section 4e: Historical LTIP Data

Instructions: Provide historical performance data (five years) for 2022 LTIP 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. Add rows as necessary.

**Table 4e.1
LTIP Metric Historical Actual Performance**

Metric/Measure	2017	2018	2019	2020	2021
	Granted in 2015	Granted in 2016	Granted in 2017	Granted in 2018	Granted in 2019
TSR vs. S&P 500 Utilities Index (applicable for awards granted in 2017, 2018 and 2019)			125%	115%	64%
TSR vs. S&P 500 Index (applicable for awards granted in 2017, 2018 and 2019)			169%	103%	2%
TSR vs. S&P 500 Utilities Index and S&P 500 Index in integrated award design (applicable for awards granted in 2015 and 2016)	0%	0%			
EPS Growth	200%	200%	200%	200%	200%

Notes/Context:

Table above reflects the payout percentage for the awards as noted in the column headers.

Section 4f: 2021 LTIP Adjustments

Instructions: Provide a detailed explanation of any increases and decreases in 2021 LTIP compensation due to failing to meet safety or other targets. Separately describe any adjustments to LTIP compensation levels made by the Compensation Committee or executive management and the amount and reason for the reduction. 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.

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

N/A

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

As shown in the table above, the payout for the total shareholder return-based awards granted in 2015 and 2016 was zero and the payout for the total shareholder return-based awards granted in 2019 was below target.

iii) Any additional deductions made by the Compensation Committee or Executive Management:

N/A

iv) Any upward adjustments:

N/A

Section 4g: LTIP Prior Year Actuals

Instructions: For any prior year LTIP programs that vested in 2021, provide details of projected and actual payouts/performance.

**Table 4g.1
LTIP Program Vesting in 2021**

Caroline Winn			
LTIP Program Name	Performance Measure	Projected % of TIC at Time of Grant	Actual % of TIC at Vesting Date
2018 PSU	Total Shareholder Return vs. S&P 500 Utilities Index	25%	37%
2018 PSU	Total Shareholder Return vs. S&P 500 Index	11%	14%
2018 PSU	EPS Growth	15%	37%
2018 RSU	Cliff	22%	28%
2019 RSU	Second installment	7%	8%
2020 RSU	First installment	7%	6%
Bruce Folkmann			
LTIP Program Name	Performance Measure	Projected % of TIC at Time of Grant	Actual % of TIC at Vesting Date
2018 PSU	Total Shareholder Return vs. S&P 500 Utilities Index	22%	32%
2018 PSU	Total Shareholder Return vs. S&P 500 Index	9%	12%
2018 PSU	EPS Growth	12%	32%
2018 RSU	Cliff	19%	24%
2019 RSU	Second installment	6%	7%
2020 RSU	First installment	6%	5%

Diana Day			
LTIP Program Name	Performance Measure	Projected % of TIC at Time of Grant	Actual % of TIC at Vesting Date
2018 PSU	Total Shareholder Return vs. S&P 500 Utilities Index	21%	31%
2018 PSU	Total Shareholder Return vs. S&P 500 Index	9%	12%
2018 PSU	EPS Growth	12%	31%
2018 RSU	Cliff	18%	23%
2019 RSU	Second installment	6%	7%
2020 RSU	First installment	6%	5%
Valerie Bille			
LTIP Program Name	Performance Measure	Projected % of TIC at Time of Grant	Actual % of TIC at Vesting Date
2018 PSU	Total Shareholder Return vs. S&P 500 Utilities Index	20%	29%
2018 PSU	Total Shareholder Return vs. S&P 500 Index	8%	11%
2018 PSU	EPS Growth	11%	28%
2018 RSU	Cliff	17%	21%
2019 RSU	Second installment	5%	6%
2020 RSU	First installment	4%	4%

Section 5: Fixed versus Incentive Compensation

Instructions: In Table 5.1, for each executive officer with new or amended contracts, 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 2022 filing year. See the definition of the proceeding terms in **Attachment 2**.

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.

SDG&E’ Objection to Sections 5, 6, and 7: SDG&E objects to the Energy Safety’s inclusion of the information requested in Sections 5, 6, and 7 on several grounds. First, Energy Safety has impermissibly expanded its review of executive compensation based on an overly broad definition of “new or amended contracts,” that exceeds the intent of AB 1054 and the statutory language of Public Utilities Code Section 8389(e)(6). While Energy Safety fails to define “new or amended contracts” in the 2022 Guidelines, Energy Safety seems to interpret that *any change* to an individual’s compensation or the composition/calculation of that compensation somehow creates a new or amended contract. This is contrary to the statutory construction of Section 8389(e)(6)(A), which is triggered when the electrical corporation “has established a compensation structure for any new or amended contracts for executive officers.” “Established” clearly implies that a compensation structure is set up, initiated, or introduced at the *beginning* of a new compensation commitment for an executive officer.²

The ongoing revision of compensation year-to-year, including foreseeable salary increases, modifications to STIP and LTIP structures, and other minor changes, does not trigger the statutory language of Section 8389(e)(6)(A), because these do not *re-establish* a contract. This provision is only triggered if an executive officer and the electrical corporation enter into a “new or amended contract” for a new “compensation structure.” These contracts would also be limited to the compensation that is subject to the new or amended contract. As this situation is not applicable to any executive officers for SDG&E in 2022, Sections 5-7 do not apply to SDG&E.

Subject to and without waiver of the foregoing objections, SDG&E has completed Sections 5-7.

² Merriam-Webster Dictionary’s definitions of establish (verb) include: “to bring into existence,” “bring about,” “to institute (something, such as law) permanently by enactment or agreement.” See, <https://www.merriam-webster.com/dictionary/establish>.

Table 5.1
Fixed versus Incentive Compensation at the Target Level

Executive Title/ Function and Name (where applicable)	Target Base Salary as a Percent of TC	Target STIP as a Percent of TC	Target LTIP as a Percent of TC	Indirect and Ancillary Compensation as a Percent of TC
Electrical Corporation Actual Data				
CEO- Caroline Winn	24%	17%	49%	10%
President & CFO-Bruce Folkmann	30%	18%	51%	1%
SVP & General Counsel-Diana Day	35%	18%	46%	1%
VP, Controller & CAO- Valerie Bille	43%	19%	36%	2%

Section 6: Indirect or Ancillary Compensation

Instructions: Please list all indirect and ancillary compensation provided to executive officers with new or amended contracts. See **Appendix A** for the definition of and a list of typical indirect or ancillary compensation. If the electrical corporation provides indirect or ancillary compensation, provide the current estimated proportion of TC for each executive officer. 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. Add rows as necessary. Add explanatory notes as appropriate

**Table 6.1
Indirect or Ancillary Compensation Example**

SDG&E Objection: SDG&E restates its prior objections to the inclusion of SERP benefits—or any retirement benefits—in Energy Safety’s review of Executive Compensation under Public Utilities Code Section 8389. By their very definition, retirement benefits are paid after an executive has left the company and begun retirement, and thus the individual no longer has the ability to affect the company’s performance. Energy Safety’s inclusion of SERP benefits in its review of “indirect or ancillary compensation” under Section 8389(e)(6)(iv) exceeds the intention of the statute and the scope of Energy Safety’s jurisdiction. Moreover, as described below, SDG&E’s SERP is partially based on the beneficiary’s prior STIP compensation and is thus partially at-risk. The request is also unduly burdensome. SDG&E includes the information below subject to and without waiver of the foregoing objections.

Title	Indirect of Ancillary Compensation Element	Eligibility Requirements	Frequency (One-time, Annual, Other)	Current Estimated Proportion of TC
CEO	Executive Benefit Program Allowance	CEO only	Annual	Approximately 1%
CEO	Supplemental Disability	CEO only	Annual	Less than 1%
All Executive Officers Except CEO	Personal Liability Insurance	All Executive Officers Except CEO	Annual	Less than 1%
All Executive Officers	Medjet	All Executive Officers	Annual	Less than 1%
All Executive Officers Except CEO	Financial Planning	All Executive Officers Except CEO	Annual	Less than 1% for Folkmann and Day, Less than 2% for Bille
CEO	Supplemental Retirement	All Executive Officers	Annual	Approximately 8%

i) Availability of Supplemental Retirement Plans

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

Yes: No:

If “Yes”, please describe the eligibility requirements for the plan(s):

Participation in the SERP is subject to approval by the Compensation and Talent Development Committee of the Sempra Board of Directors and the SDG&E Board.

ii) Structure of Supplemental Retirement Plans

If supplemental retirement plans are available, please 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 Supplemental Executive Retirement Plan (SERP) is a defined benefit plan that considers age at retirement, years of service and final average pay (average base salary for the two consecutive years of highest base salary prior to retirement plus the average of the three highest annual bonus (STIP) awards in the 10 years prior to retirement). SDG&E’s CEO currently participates in the SERP but is not yet vested in the SERP’s defined benefit. For purposes of calculating TC, the SERP value is the sum of the projected 2022 annual service cost and interest cost based on ASC 715 guidelines used in the company’s financial reporting.

Participation in the SERP, and ultimate compensation attributable to SERP participation, remains both a) variable and b) at risk due to a number of factors, including vesting, length of company service, fluctuations in interest rate, and company financial and safety performance—as STIP at-risk compensation is a component of the calculation of SERP benefits. For these reasons, SDG&E submits that SERP benefits are inaccurately included in Energy Safety’s definition of “indirect and ancillary compensation” as well as “total direct compensation.”

Section 7: Long-Term Incentive Program (LTIP)

Instructions: Provide name, title/function, grant date, vesting schedule and estimated award percentage of TC for each executive officer with any new or amended contracts that receives or is expected to receive direct compensation under a LTIP for the applicable years. For purposes of calculating the Grant Value as a 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. For purposes of calculating Earned Value as a percentage of TC, use the value at the date of vesting. Percentages must be specified for each executive officer and not a range for various position levels. Provide a table for each executive officer. Make copies of the Table 7a.1 table as necessary.

Section 7a: LTIP Structure

**Table 7a.1
2021 and 2022 LTIP Grants**

Executive Title/ Function and Name: CEO-Winn						
	2021 Performance Year			2022 Performance Year		
LTIP Type	Grant Date	Vesting Schedule	Grant Date Fair Value as a % of TC	Anticipated Grant Date	Vesting Schedule	Target Value as a % of TC
Stock Grant	N/A	N/A	N/A	N/A	N/A	N/A
Stock Option	N/A	N/A	N/A	N/A	N/A	N/A
Restricted Stock Unit (RSU)	1/4/2021	Vests ratably over three years	16%	1/3/2022	Vests ratably over three years	15%
Performance Share Unit (PSU)/ Performance Restricted Stock Unit (PRSU)	1/4/2021	Vests following completion of three-year performance period, subject to performance (see 4c for performance measure information)	34%	1/3/2022	Vests following completion of three-year performance period, subject to performance (see 4c for performance measure information)	34%

Cash Performance Payment	N/A	N/A	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A	N/A	N/A
Executive Title/ Function and Name: President & CFO-Folkmann						
	2021 Performance Year			2022 Performance Year		
LTI Type	Grant Date	Vesting Schedule	Grant Date Fair Value as a % of TC	Anticipated Grant Date	Vesting Schedule	Target Value as a % of TC
Stock Grant	N/A	N/A	N/A	N/A	N/A	N/A
Stock Option	N/A	N/A	N/A	N/A	N/A	N/A
Restricted Stock Unit (RSU)	1/4/2021	Vests ratably over three years	16%	1/3/2022	Vests ratably over three years	16%
Performance Share Unit (PSU)/ Performance Restricted Stock Unit (PRSU)	1/4/2021	Vests following completion of three-year performance period, subject to performance (see 4c for performance measure information)	35%	1/3/2022	Vests following completion of three-year performance period, subject to performance (see 4c for performance measure information)	35%
Cash Performance Payment	N/A	N/A	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A	N/A	N/A

Executive Title/ Function and Name: SVP & General Counsel-Day

Executive Title/ Function and Name: SVP & General Counsel-Day						
	2021 Performance Year			2022 Performance Year		
LTI Type	Grant Date	Vesting Schedule	Grant Date Fair Value as a % of TC	Anticipated Grant Date	Vesting Schedule	Target Value as a % of TC
Stock Grant	N/A	N/A	N/A	N/A	N/A	N/A
Stock Option	N/A	N/A	N/A	N/A	N/A	N/A
Restricted Stock Unit (RSU)	1/4/2021	Vests ratably over three years	14%	1/3/2022	Vests ratably over three years	14%
Performance Share Unit (PSU)/ Performance Restricted Stock Unit (PRSU)	1/4/2021	Vests following completion of three-year performance period, subject to performance (see 4c for performance measure information)	31%	1/3/2022	Vests following completion of three-year performance period, subject to performance (see 4c for performance measure information)	31%
Cash Performance Payment	N/A	N/A	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A	N/A	N/A

Executive Title/ Function and Name: VP, Controller & CAO-Bille

Executive Title/ Function and Name: VP, Controller & CAO-Bille						
	2021 Performance Year			2022 Performance Year		
LTI Type	Grant Date	Vesting Schedule	Grant Date Fair Value as a % of TC	Anticipated Grant Date	Vesting Schedule	Target Value as a % of TC
Stock Grant	N/A	N/A	N/A	N/A	N/A	N/A
Stock Option	N/A	N/A	N/A	N/A	N/A	N/A

Restricted Stock Unit (RSU)	1/4/2021	Vests ratably over three years	11%	1/3/2022	Vests ratably over three years	11%
Performance Share Unit (PSU)/ Performance Restricted Stock Unit (PRSU)	1/4/2021	Vests following completion of three-year performance period, subject to performance (see 4c for performance measure information)	24%	1/3/2022	Vests following completion of three-year performance period, subject to performance (see 4c for performance measure information)	25%
Cash Performance Payment	N/A	N/A	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A	N/A	N/A

If “Other” LTIP Type indicated, provide explanation:

--

ii) Is any LTIP compensation not at risk?

Yes: No: X

Describe/Explain:

SDG&E's LTIP compensation is equity based and at risk because the value the grant recipient will ultimately receive will depend on the performance of the Company and its corporate parent, Sempra. A company's stock can lose value, even all its value. LTIP compensation is also at risk because it is subject to time-based vesting conditions.

iii) Were the 2021 LTIP payouts determined based on a performance range (i.e., below minimum/threshold, minimum/threshold, target, maximum)? Check one:

Yes: X No:

iv) Did the electrical corporation use one range for all 2021 LTIP metrics or differing ranges based on the category of metric)? Check one:

One range for all metrics: Multiple ranges: X

v) Provide the 2021 LTIP metric range(s):

**Table 7a.2
2021 LTIP Performance Range(s)**

Metric	Performance Range
Sempra total shareholder return vs. S&P 500 Utilities Index	See Table 1 below
Sempra total shareholder return vs. S&P 500 Index	See Table 1 below
Sempra Earnings Per Share Growth	See Table 2 below

Table 1	
Sempra Total Shareholder Return Percentile Ranking vs. Peer Group ¹⁵	Percentage of Number of Restricted Stock Units that Vest
90 th	200%
80 th	175%
70 th	150%
60 th	125%
50 th	100%
40 th	70%
35 th	55%
30 th	40%
25 th	25%
Below 25 th	0%

Table 2	
Sempra Earnings Per Share Growth	Percentage of Target Number of Restricted Stock Units that Vest
2020 - 2023	
7.90%	200%
6.90%	150%
6.40%	100%
4.20%	25%
Below 4.2%	0%

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

vi) Provide the 2022 LTIP metric range(s):

**Table 7a.3
2022 LTIP Performance Range(s)**

Metric	Performance Range
Sempra total shareholder return vs. S&P 500 Utilities Index	See Table 1 below
Sempra total shareholder return vs. S&P 500 Index	See Table 1 below
Sempra Earnings Per Share Growth	See Table 2 below

Table 1	
Sempra Total Shareholder Return Percentile Ranking vs. Peer Group¹⁵	Percentage of Number of Restricted Stock Units that Vest
90 th	200%
80 th	175%
70 th	150%
60 th	125%
50 th	100%
40 th	70%
35 th	55%
30 th	40%
25 th	25%
Below 25 th	0%

Table 2	
Sempra Earnings Per Share Growth	Percentage of Target Number of Restricted Stock Units that Vest
2021 - 2024	
8.60%	200%
7.60%	150%
6.30%	100%
5.00%	25%
Below 5.0%	0%

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

i) Use of Any Performance Triggers

Does the electrical corporation’s 2022 LTIP 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”, please describe any performance triggers:

vii) Use of Any Automatic Deductions

Does the electrical corporation’s 2022 LTIP have any automatic 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”, please describe all automatic deductions:

Section 7c: LTIP Measures, Weighting and Vesting

Instructions: For each LTIP Type, indicate vesting period and type. If basis of award differs amongst position or person, copy Table 7c.1 and Table 7c.2 as necessary and indicate who the table applies to in space provided at the top of the table. Add additional tables if LTIP varies for certain officer classifications.

**Table 7c.1
2021 LTIP Measures Vesting**

Executive Title/ Function and Name: All Executive Officers	
LTI Type	Vesting Period and Type
Stock Grant	N/A
Stock Option	N/A
RSU	Equal installments over 3 years
PSU/ PRSU	3-year cliff
Cash	N/A
Other	N/A
Weighting Total:	

**Table 7c.2
2022 LTIP Measures Vesting**

Executive Title/ Function and Name: All Executive Officers	
LTI Type	Vesting Period and Type
Stock Grant	N/A
Stock Option	N/A
RSU	Equal installments over 3 years
PSU/ PRSU	3-year cliff
Cash	N/A
Other	N/A
Weighting Total:	

**BEFORE THE OFFICE OF ENERGY AND INFRASTRUCTURE SAFETY
OF THE STATE OF CALIFORNIA**

**DECLARATION OF VALERIE BILLE REGARDING
CONFIDENTIALITY OF CERTAIN DATA PURSUANT TO CALIFORNIA CODE
OF REGULATIONS § 29200**

I, Valerie Bille, do declare as follows:

1. I am Vice President, Controller, and Chief Accounting Officer (“CAO”) for San Diego Gas and Electric (SDG&E). I have reviewed the confidential information included within SDG&E’s Documentation of Compliance with Executive Compensation Provisions of Public Utilities Code § 8389(e) and the Office of Energy Infrastructure Safety Guidance (“2022 Executive Compensation Submission”) submitted to the Office of Energy Infrastructure Safety on March 14, 2022. I am personally familiar with the facts and representations in this Declaration and, if called upon to testify, I could and would testify to the following based upon my personal knowledge and/or information and belief.

2. I hereby provide this Declaration pursuant to California Code of Regulations Section 29200 to demonstrate that the confidential information (“Protected Information”) provided in the 2022 Executive Compensation Submission is within the scope of data protected as confidential under applicable law. Attachment A to this Declaration discusses the relevant provisions of law that allow the Office of Energy Infrastructure Safety to maintain the confidentiality of the Protected Information. The Protected Information is also confidential pursuant to California Public Utilities Commission Decision (D.) 17-09-023 and General Order (GO) 66-D Revision 1¹.

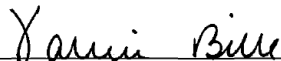
¹ GO 66-D was modified by D.19-01-028 to create GO 66-D Revision 1, which became effective February 1, 2019.

3. Based on my knowledge, the Protected Information being provided has not been publicly published in this form.

4. In accordance with the narrative justification described in Attachment A, the Protected Information should be protected from public disclosure.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed this March 14, 2022, at San Diego, California.



Valerie Bille
Vice President, Controller & CAO

ATTACHMENT A

Confidentiality Justification for Protected Information as Provided in the Response

Location of Data	Legal Citations	Narrative Justification
<p>Highlighted fields in SDG&E’s 2022 Executive Compensation Submission</p>	<p>CPRA Exemption, Gov’t Code § 6254(c) (exempting from disclosure “personnel, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of personal privacy”); <i>see</i> Cal. Const., art. 1, § 1 (“All people . . . have inalienable rights. Among these are . . . privacy.”); <i>Britt v. Superior Court</i>, 20 Cal. 3d 844, 855-856 (1978) (even highly relevant information may be shielded from discovery if its disclosure would impair a person’s inalienable right of privacy provided by the California Constitution); <i>Bd. of Trustees v. Superior Court</i>, 119 Cal. App. 3d 516, 529 (1981) (affirming the right to privacy in employment records, and finding that such records are not discoverable absent a “compelling need”); <i>Garcia v. City of Imperial</i>, 270 F.R.D. 566, 572–73 (S.D. Cal. 2010), <i>reversed on other grounds</i>, 2010 WL 3719081 (S.D. Cal. Sept. 17, 2010) (denying motion to compel production of information seeking employees “annual salary, assets, liabilities, and net worth” on grounds that plaintiff’s need for the financial information did not outweigh</p>	<p>The public disclosure of salary information, including the structure of specific individual compensation packages, implicates employees’ right to privacy and cannot be disclosed absent “compelling need.” This information is not publicly available in any other forum, and the individuals listed herein are not described in the proxy statements of SDG&E or its parent corporation, Sempra.</p> <p>SDG&E has provided a redacted version of the 2022 Executive Compensation Submission that removes individual identifying information for public filing on Energy Safety’s docket system.</p>

	<p>employees' privacy rights under the California Constitution).</p> <p>CPRA Exemption, Gov't Code § 6254(k) (exempting from disclosure "[r]ecords, the disclosure of which is exempted or prohibited pursuant to federal or state law); <i>see</i> Cal. Code of Civ. P. § 1985.6 (a party seeking disclosure of employment records must first provide notice to the individual whose records are sought and allow an opportunity to object).</p> <p>CPRA Exemption, Gov't Code § 6255(a) (Balancing Test).</p>	
--	---	--