



Caroline Winn
Chief Executive Officer

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Hand Delivered

April 16, 2021

Purchasing & Contracting Department
Civic Center Plaza
1200 Third Avenue, Suite 200
San Diego, California, 92101
(619) 236-5921

Re: SDG&E RESPONSE TO INVITATION TO BID FOR A FRANCHISE TO CONSTRUCT, MAINTAIN AND USE PIPES AND APPURTENANCES FOR TRANSMITTING AND DISTRIBUTING GAS IN THE STREETS OF THE CITY OF SAN DIEGO

SDG&E BID DETAILS BEGIN ON PAGE 3 OF THIS DOCUMENT

Dear Purchasing & Contracting Department, Mayor Gloria, and Honorable Members of the City Council,

San Diego Gas & Electric Company (“**SDG&E**”) is pleased to submit this responsive bid for a franchise to construct, maintain and use pipes and appurtenances for transmitting and distributing gas in the streets of the City of San Diego (“**SDG&E Gas Franchise Bid**”).

We take this opportunity to thank the City of San Diego for its efforts to make this Invitation to Bid (“ITB”) an open process, which has invited discussion on key terms in the ITB and has engaged interested community stakeholders through an expansive community forum, survey, and outreach process in January and February 2021. As the Mayor’s office announced, over 1,300 community organizations and leaders, city residents, employees, and elected officials had their voices heard before this solicitation was released. We are committed to participating in this process and look forward to an opportunity to discuss the details of our bid and the terms of the Gas Franchise in person.

SDG&E would be honored and humbled to be the City’s energy partner. We believe that SDG&E is the best choice to help the City achieve its bold climate goals, which have become a model for the rest of the nation. SDG&E is a “responsible person” as defined by the City in the ITB. SDG&E is financially responsible and capable of constructing, maintaining, and using pipes and appurtenances for transmitting and distributing gas in the streets of the City of San Diego, as it has done for more than 100 years. However, we are not only a responsible bidder – we are uniquely qualified to serve the important mission of ensuring clean, safe, reliable, and equitable energy to San Diego. Our more than 4,000 highly trained employees, which include more than 1,350 union members of the International Brotherhood of Electrical Workers and 1,700 City of San Diego residents, have devoted their lives and careers to this mission.

We believe SDG&E’s unique qualifications help position us ahead of other bidders, beginning with the company’s employees who personally contribute to the City’s economic and social prosperity because we live and work in this community and take personal pride in seeing the community thrive. We are an unwavering and growing force of San Diego residents, co-workers, and community leaders, who are

passionate about the well-being of the City, its residents and businesses and the City's vision for the future. It is this collective enthusiasm for our future that sets us apart from all others.

Our focus on climate is the centerpiece of our business strategy. We know that San Diegans care deeply about reducing the harmful effects of climate change and supporting equity in communities of concern. We share these concerns and stand ready to collaborate with the City as it aggressively pursues 100% renewable energy and exemplary environmental objectives, while promoting equity in every San Diego neighborhood.

Indeed, SDG&E has intentionally aligned our climate focus with the objectives of the City, region, and the state. We emphasized our commitment to clean and equitable energy when we issued our first Sustainability Strategy in October 2020, and last month when we announced our climate pledge to reach Net Zero Greenhouse Gas Emissions by 2045.

Achieving 100% clean energy and net zero GHG emissions while never losing sight of safety, reliability and affordability is the moonshot challenge of our era and one the SDG&E team fully embraces. In partnership with the City and community stakeholders, we have made tangible progress over the past decade. As we submit this response, our employees are working to implement projects to help make our shared climate goals a reality, one project at a time. For example, a new battery storage facility is nearing completion in the Miramar area which will help maximize the use of San Diego's abundant solar energy while hardening the energy grid during summer months.

Together we accomplished visionary work in electrifying transportation – the most impactful way to reduce GHG emissions. We deployed electric vehicle charging network at parks, beaches, schools, and commercial/industrial sites. SDG&E constructed a safer, greener, more climate-resilient grid, built or retrofitted municipal facilities to LEED standards, and achieved our fourth consecutive year with zero leaks on our gas system by eliminating repair backlogs. And we continue to visualize a clean energy transition to help our city and region become a model in sustainability.

SDG&E's established commitment to the City goes well beyond the energy services we provide every day. We have contributed measurable benefits within the communities we serve. We employ San Diegans in good paying jobs. Through our nation-leading supplier diversity program, we work to ensure our suppliers reflect the communities we are privileged to serve. We have partnered with local colleges and universities to further climate resiliency. We have contributed generously to, and spent countless volunteer hours in support of, local nonprofit organizations.

We are committed to helping the City realize its vision of clean, safe, reliable, and equitable energy. We believe more can be done collaboratively to bring the broad-ranging business experience and the talents of SDG&E's employees to support the City's advancement in technology, procurement, fleet, facilities, environmental and other potential business opportunities and look forward to an opportunity to collaborate with you, as set forth in greater detail in our Cooperation Agreement proposal.

While we have come a long way in our 140-year history of serving San Diego residents and businesses, we do not take our relationship with the City for granted. It is with a renewed commitment to better communication, accountability, and transparency that we are eager to be your long-term partner, and to deliver the energy future that the City desires and the region and our customers expect. Together with the City, IBEW and other labor partners, and community, environmental and business groups, we will deliver the bright energy future the City and our community deserves.

SDG&E GAS FRANCHISE BID DETAILS

Acceptance of Material Terms of the ITB:

Bid Amount Paid to City: SDG&E accepts the full bid amount of \$10 million.

Bid Amount Not from Ratepayers: SDG&E agrees that the Bid Amount will not be paid by ratepayers at any time.

Bid Term: SDG&E accepts the bid term structure of an initial primary term of 10 years followed by a secondary term of 10 years, subject to further discussions to negotiate acceptable language in the franchise agreement relating to the process for evaluating a secondary or successive term to ensure accountability, clarity, and certainty with respect to that process, particularly in light of the unprecedented Bid Amount SDG&E is offering.

Fees Paid to City: SDG&E agrees to pay to the City the franchise fees in the amounts described in the draft franchise ordinance.

Commencement of Operations: SDG&E confirms that it can continue operations on the target date of June 2, 2021 in the draft franchise ordinance without interruption to the existing franchise fees paid to the City. SDG&E possesses all necessary governmental approvals to exercise its rights under the Gas Franchise, including, without limitation, a Certificate of Public Convenience and Necessity from the California Public Utilities Commission or its equivalent. SDG&E's statement is enclosed.

Insurance: Enclosed is a letter of self-insurance and certificates of insurance verifying SDG&E's compliance with the insurance requirements specified in Section 11 of the draft ordinance.

Charter Section 225: SDG&E is exempt from the disclosure requirements described in San Diego Charter section 225 as a publicly traded company listed on an American stock exchange. SDG&E is wholly owned by Enova Corporation, which is wholly owned by Sempra Energy, an energy-services holding company publicly traded on the New York Stock Exchange (NYSE:SRE).

Cooperation Agreement Proposal: As required by the ITB, SDG&E has included a detailed narrative Cooperation Agreement proposal as Attachment "A" to this letter. Our proposal organizes the City's goals described in the ITB Notice and Section 10 of the draft ordinance into four categories: (1) Collaboration Opportunities for Clean Energy; (2) Collaboration Opportunities for Safe Energy; (2) Collaboration Opportunities for Reliable Energy; and (4) Collaboration Opportunities for Equitable Energy. We welcome the opportunity to discuss these potential collaboration opportunities with the City in person.

Compliance Review Committee: SDG&E welcomes the formation of a Compliance Review Committee to oversee the City's independent audit of SDG&E's franchise obligations.

Biennial Audits: SDG&E looks forward to working with the City to complete an independent biennial audit of the franchise.

Dispute Resolution: SDG&E agrees to the City's modernized dispute resolution process, adding a mediation option to allow the parties to avoid litigation where appropriate.

Legal, Regulatory, and Good and Prudent Practice Requirements for Discussions: As contemplated by the ITB, we look forward to negotiations with you regarding the specific language in the draft franchise ordinance to ensure SDG&E's compliance obligations under applicable law, regulatory rules and policies, good and prudent utility practices, and protection of gas ratepayer interests. We contemplate that this discussion will include proposed provisions relating to the following:

- Details regarding the payment of the Bid Amount
- Details regarding disclosure of SDG&E books and records
- Utility removals and relocations
- Protection of utility facilities
- Clarify obligations regarding employment guarantee
- Operation of the performance bond and liquidated damage amounts

The above topics implicate SDG&E's legal and regulatory obligations, data privacy, gas ratepayer interests and security, and common business practice. We look forward to a discussion with you so that we may jointly address these details to support introduction and adoption of the authorizing ordinance.

* * *

We look forward to continuing to grow our relationship with the City of San Diego and all of its residents. SDG&E is a leader in many areas, and I am committed to using this next franchise agreement as a platform for raising our relationship with the City to new heights. SDG&E – more than 4,000 persons strong – looks forward to serving the City and building a bright new energy future together.

Sincerely,



Caroline A. Winn
Chief Executive Officer
San Diego Gas & Electric Company

Attachment A – Cooperation Agreement Proposal

ATTACHMENT "A"
Cooperation Agreement Proposal

SDG&E is pleased to submit the following Cooperation Agreement proposal in support of its response to the City of San Diego's (1) invitation to bid for a franchise to construct, maintain and use poles, wires, conduits and appurtenances for transmitting and distributing electricity in the streets of the City of San Diego and (2) invitation to bid for a franchise to construct, maintain, and use pipes and appurtenances for transmitting and distributing gas in the streets of the City of San Diego. Today – and in the decades to come – our goal is to deliver a bright energy future to the people of San Diego.

We share the City's belief in clean, safe, reliable and equitable energy.

This vision for the future demands a unified response to address the impact of climate change, the pandemic still upending the lives and livelihoods of San Diegans and people everywhere, and needed calls for social justice reform. We understand that addressing these issues requires strong collaboration with the City, local businesses, non-profits, and everyone committed to the continued growth and development of San Diego's communities and neighborhoods.

Together with our partners in organized labor and many community, environmental and business groups; we believe we are the best positioned and most qualified utility to achieve the City's goals.

Section I of this proposal summarizes collaboration opportunities for *Clean Energy*. In Section II we summarize collaboration opportunities for *Safe Energy*. In Section III we summarize collaboration opportunities for *Reliable Energy*. In Section IV we summarize collaboration opportunities for *Equitable Energy*. In Section V, we review the regulatory framework we operate within and our obligations to customers.

We welcome the opportunity to discuss these proposals with the City and to negotiate the specific language of the Cooperation Agreement and the related provisions of the draft ordinances to support the City's energy goals, while ensuring conformance with applicable law, regulatory rules and policies, and good and prudent utility practices.

I. Clean Energy Collaboration Opportunities

The City desires certain commitments from its franchise partner relating to San Diego Community Power (SDCP), the City's Climate Action Plan, renewable energy, grid innovation, energy efficiency, transportation electrification and local energy. (See ITB Notice at 4–5; Draft Ord. §§ 11, 12(a), 12(c).)¹

¹ All section references in this Proposal are to the section numbers in the Electric Franchise Ordinance.

SDG&E is committed to supporting the City's clean energy goals by using best efforts to:

- *San Diego Community Power.* Support customer choice and transition procurement to local or state control. SDG&E commits to apply the CCA Code of Conduct and to provide SDCP grid services and customer information in accordance with SDG&E Tariff Rule 27 and associated California Public Utilities Commission orders and proceedings.
 - ✓ **Supports Climate Action Plan**
 - ✓ **Cooperative Partner**
 - ✓ **Commitment to Equity**
- *Hydrogen Infrastructure Partnership.* Identify a local hydrogen hub for transit and other uses in collaboration with the City.
 - ✓ **Supports Climate Action Plan**
- *Enhance Tree Planting.* Continue supporting the City's tree planting efforts through our Right Tree, Right Place program and identify planting locations, assist with tree species ideas, and provide technical support.
 - ✓ **Supports Climate Action Plan**
 - ✓ **Cooperative Partner**
- *Expand Green Waste Recycling.* Identify vendors open to receiving green waste, which in turn can help reduce the City's carbon footprint by diverting the waste from landfills.
 - ✓ **Supports Climate Action Plan**
- *Expand Clean Transportation Efforts.* Assist in the expansion of the City municipal fleet by providing clean transportation expertise to the City through facilitated best practices training and provide data and support for Mayoral Executive Order to increase electric vehicle acquisition.
 - ✓ **Supports Climate Action Plan**
- *Evaluate Energy Efficiency Opportunities with SDCP.* Work with SDCP to identify programs to support local decision-making and administration of future energy efficiency funding.
 - ✓ **Knowledge Sharing**

II. Safe Energy Collaboration Opportunities

The City desires certain commitments from its franchise partner relating to climate change, fire resiliency and fire prevention efforts. (See ITB Notice at 4–5.)

SDG&E is committed to supporting the City’s safe energy goals by using best efforts to:

- *Safety Monitoring Systems for High-Risk Areas.* Research deployment of weather stations and other technologies in canyons to provide the City and County fire departments with real-time data for pending weather events and create situational fire awareness.
 - ✓ **Cooperative Partner**

- *Increase Safety and Resiliency through Energy Intelligence.* Share intelligence from SDG&E meteorology teams to ensure City’s undergrounding is prioritized with wildfire mitigation in mind.
 - ✓ **Knowledge Sharing**

- *Facilitate Development of 100% Virtual EOC.* Lend expertise towards the development of the City’s Virtual Emergency Operations Center (EOC) to reduce reliance on physical presence and manage emergencies remotely.
 - ✓ **Knowledge Sharing**

- *Develop Resiliency Audit.* Use our climate change infrastructure expertise and sharing best practices, we can collaborate with the City to customize an audit that helps the City with resiliency and the impacts of climate change.
 - ✓ **Knowledge Sharing**
 - ✓ **Commitment to Equity**

III. Reliable Energy Cooperation Opportunities

The City desires certain commitments from its franchise partner relating to energy management, system capacity, microgrids and distributed energy resources. (See ITB Notice at 4–5; Draft Ord. § 12(a).)

SDG&E is committed to supporting the City’s reliable energy goals by using best efforts to:

- *Finalize & Refresh Central Dashboard for Energy Management.* Aid the City in developing a centralized dashboard to manage City-wide energy usage from all its facilities, meters and accounts.
 - ✓ **Cooperative Partner**

- *Facilitate Microgrid Development for City Water, Wastewater & Sewer Infrastructure Projects.* SDG&E would share expertise relating to facility and community-level microgrids and seek to improve the resiliency of selected City facilities and neighborhoods.

✓ **Knowledge Sharing**

✓ **Commitment to Equity**

- *Integrate City Resources into a Virtual Power Plan (VPP) to Assist the City with Demand Response Efforts.* Investigate opportunities for a VPP pilot to allow multiple sources of City energy to be utilized to provide grid services.

✓ **Cooperative Partner**

IV. Equitable Energy Cooperation Opportunities

The City desires certain commitments from its franchise partner in support of energy justice, equitable and empowered customer service, and equitable access to energy. (See ITB Notice at 4–5; Draft Ord. § 12(b), 12(e).)

SDG&E is committed to supporting the City’s equitable energy goals by using best efforts to:

- *Diversify Local Clean Energy Workforce.* Leverage local workforce development organizations to identify underserved populations to launch the careers and develop the next generation of clean energy infrastructure leaders.

✓ **Knowledge Sharing**

✓ **Commitment to Equity**

- *Undergrounding Prioritization.* Support a refresh of the City-driven accelerated undergrounding program to prioritize projects in disadvantaged communities and neighborhoods.

✓ **Cooperative Partner**

✓ **Commitment to Equity**

- *Energy Efficiency Campaign within Communities of Concern.* Expand outreach to low-income and hard-to-reach customers for SDG&E’s Energy Assistance Residential programs via targeted marketing.

✓ **Supports Climate Action Plan**

✓ **Commitment to Equity**

- *Build and Launch the City's First Energy Sustainability Ambassador Program.* Target underserved communities and provide Ambassadors with tools to educate their communities to affect positive change related to sustainability and climate equity.

✓ *Cooperative
Partner*

✓ *Commitment
to Equity*

- *Energy Commission Grants.* Research and leverage California Energy Commission grants to identify communities of concern that may be eligible for mobile power station funding and other opportunities.

✓ *Knowledge
Sharing*

✓ *Commitment
to Equity*

V. SDG&E's Obligation to Ratepayers; Legal and Regulatory Environment

SDG&E is prepared to collaborate on the City's energy, climate, and equity goals as set forth above. We support the City's current Climate Action Plan, the Climate Equity Fund and the City's vision for its use.

The City requested bidders to identify "barriers to substantial alignment" with City policies. SDG&E must comply with federal and state laws governing utilities, including the orders and regulations of the California Public Utilities Commission (CPUC) governing our rates and the terms under which we provide utility services to customers and the rules of the Federal Energy Regulatory Commission governing electric transmission. SDG&E's rates are established in regulatory proceedings under the cost-of-service ratemaking model. Property used to serve our customers cannot be transferred outside SDG&E without regulatory approval. Furthermore, the regulatory compact and our commitment to equity requires SDG&E to serve all SDG&E customers equally. Any agreement regarding these issues must be consistent with these laws and regulations, including funding for programs and SDG&E's position on the City's future action plans and future policy documents. SDG&E remains committed to cooperating with the City on energy policies whenever possible, and is ready to seek common ground on our shared energy goals.



Caroline Winn
Chief Executive Officer

P.O. Box 129831
San Diego, CA 92112

Tel: (858) 650-6175
CWinn@sdge.com

VERIFIED STATEMENT OF GOVERNMENTAL APPROVALS FOR GAS FRANCHISE

April 16, 2021

Dear Purchasing & Contracting Department, Mayor Gloria and Honorable Members of the City Council:

Pursuant to the requirements set forth on page 5, section (c)(1) of that certain Invitation to Bid for a *"Bid for a franchise to construct, maintain, and use pipes and appurtenances for transmitting and distributing gas in the streets of the City of San Diego,"* San Diego Gas & Electric Company (SDG&E) verifies that:

1. SDG&E agrees to commence gas franchise operations on June 2, 2021, or the thirtieth day from and after final passage of the ordinance granting the franchise, whichever is later.
2. SDG&E has the necessary governmental approvals, including, without limitation, a Certificate of Public Convenience and Necessity issued by the California Public Utilities Commission or its equivalent, for the purposes of exercising rights granted by the franchise, as of the date of this statement.

Sincerely,

A handwritten signature in black ink, appearing to read 'Caroline Winn', is written over a light blue horizontal line.

Caroline A. Winn
Chief Executive Officer
San Diego Gas & Electric Company



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
04/12/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER MARSH RISK & INSURANCE SERVICES FOUR EMBARCADERO CENTER, SUITE 1100 CALIFORNIA LICENSE NO. 0437153 SAN FRANCISCO, CA 94111 Attn: Seattle.Certrequest@marsh.com / Fax: 212-948-0507 CN101783283-STND-GAWU-20-21	CONTACT NAME: _____ PHONE (A/C, No, Ext): _____ FAX (A/C, No): _____ E-MAIL ADDRESS: _____ ADDRESS: _____														
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INSURER E : N/A	N/A														
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COVERAGES **CERTIFICATE NUMBER:** SEA-003722986-04 **REVISION NUMBER:** 25

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER: _____		EN4GL00088201	11/01/2020	11/01/2021	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 1,000,000 \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$		XL5112509P	06/26/2020	06/26/2021	EACH OCCURRENCE \$ 25,000,000 AGGREGATE \$ 50,000,000 \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/> N/A				<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Re: City of San Diego San Diego Gas Franchise Agreement

Please See Attached

CERTIFICATE HOLDER City of San Diego Purchasing & Contracting Department 1200 Third Avenue, Suite 200 San Diego, CA 92101	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE of Marsh Risk & Insurance Services Van Vong <i>[Signature]</i>
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ADDITIONAL REMARKS SCHEDULE

AGENCY MARSH RISK & INSURANCE SERVICES		NAMED INSURED San Diego Gas & Electric Company c/o Sempra Insurance & Risk Advisory 488 8th Ave, HQ06N1 San Diego, CA 92101	
POLICY NUMBER		EFFECTIVE DATE:	
CARRIER	NAIC CODE		

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

Employer's Liability is included in the AEGIS Excess Liability Program

Excess Auto Liability and Employers Liability coverage is included in the AEGIS Liability Program.

With respect to General and Excess Liability, The City of San Diego and its officers, agents, departments, officials, employees and volunteers are included as additional insured (except employers liability) where required by written contract. Waiver of subrogation is applicable where required by written contract and subject to policy terms and conditions with respect to General Liability and Excess Liability. General and Excess Liability policy wordings include blanket additional insured and waiver of subrogation where required by written contract. Coverage is primary and cross liability applies. Please see attached for Cancellation notice.

ASSOCIATED ELECTRIC & GAS INSURANCE SERVICES LIMITED

Endorsement No. 8Effective date of Endorsement June 26, 2020Attached to and forming part of POLICY No. XL5112509PNAMED INSURED: Sempra Energy

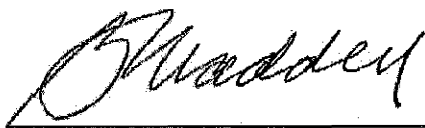
It is understood and agreed that this POLICY is hereby amended as indicated. All other terms and conditions of this POLICY remain unchanged.

**ADDITIONAL INSUREDS - BLANKET BASIS
(CERTIFICATE HOLDERS)**

Any person or organization to whom a Certificate of Insurance has been issued with respect to this POLICY is included as an additional INSURED under the POLICY, but only if and to the extent the NAMED INSURED has agreed in writing prior to an OCCURRENCE to provide insurance to such person or organization. The coverage afforded the additional INSURED is subject to the terms, exclusions and conditions of this POLICY, including the Limits of Liability, and is further limited to the amount required by the prior written agreement with the NAMED INSURED.

Notwithstanding the foregoing, the following shall not be an additional INSURED under this POLICY:

- (a) any organization acquired or formed by the NAMED INSURED after the inception of the POLICY PERIOD;
- (b) where such other person or organization has assumed the liability of any other INSURED under contract; or
- (c) where such other person or organization is engaged in a JOINT VENTURE with the NAMED INSURED in which the NAMED INSURED is not the operator or managing partner.



Signature of Authorized Representative

ASSOCIATED ELECTRIC & GAS INSURANCE SERVICES LIMITED

Endorsement No. 7Effective date of Endorsement June 26, 2020Attached to and forming part of POLICY No. XL5112509PNAMED INSURED: Sempra Energy

It is understood and agreed that this POLICY is hereby amended as indicated. All other terms and conditions of this POLICY remain unchanged.

**PRIMARY INSURANCE ENDORSEMENT
(AMENDED CONDITION (H) OTHER INSURANCE)**

Section IV., Conditions, (H) *Other Insurance* is deleted in its entirety and replaced by the following:

(H) Other Insurance

If other valid and collectible insurance with any other insurer, whether such insurance is issued before, concurrent with, or after inception of this POLICY, is available to the INSURED covering a CLAIM also covered by this POLICY, other than insurance that is issued specifically as insurance in excess of the insurance afforded by this POLICY, this POLICY shall be in excess of and shall not contribute with such other insurance.

Provided, however, that if the NAMED INSURED has agreed in writing prior to an OCCURRENCE to provide insurance to any person or organization (and such person or organization otherwise qualifies as an INSURED under Definition (L)) and such writing requires the insurance provided by this POLICY to be primary, then the insurance provided by this POLICY shall be primary for such INSURED up to a limit of \$1,000,000 or up to the amount required by such writing.

Nothing herein shall be construed to make this POLICY subject to the terms of other insurance.

Nothing in this Endorsement shall reinstate, increase or in any way expand the COMPANY'S Limits of Liability as set forth in Section I (B) of the POLICY.



Signature of Authorized Representative

(J) *Subrogation*

- (1) The COMPANY shall have no right of recovery against any person or organization with respect to any OCCURRENCE to the extent that the INSURED has agreed with such person or organization before the OCCURRENCE to:
 - (a) waive its right of recovery against such person or organization; or
 - (b) reimburse such person or organization for the cost attributable to such person's or organization's liability for any OCCURRENCE caused in whole or in part by such person or organization.

- (2) Inasmuch as this POLICY is excess insurance, the INSURED'S right of recovery against any person or organization cannot be exclusively subrogated to the COMPANY. It is, therefore, understood and agreed that in case of any payment hereunder, the COMPANY will act in concert with all other interests concerned, (including the INSURED'S) in the exercise of such rights of recovery. The apportioning of any amount which may be so recovered shall follow the principle that any interest (including the INSURED'S) which has paid an amount over and above any payment hereunder, shall first be reimbursed up to the amount paid by it; the COMPANY is then to be reimbursed out of any balance then remaining up to the amount paid hereunder; lastly, the interests (including the INSURED'S) of which this coverage is in excess are entitled to claim the residue, if any. Expenses necessary to the recovery of any such amounts shall be apportioned between the interests concerned (including the INSURED'S), in the proportion of their respective recoveries as finally settled.

ASSOCIATED ELECTRIC & GAS INSURANCE SERVICES LIMITED

Endorsement No. 51

Effective date of Endorsement June 26, 2020

Attached to and forming part of POLICY No. XL5112509P

NAMED INSURED: Sempra Energy

It is understood and agreed that this POLICY is hereby amended as indicated. All other terms and conditions of this POLICY remain unchanged.

CONDITION (Q) CANCELLATION

Condition (Q) *Cancellation*, is replaced by the following:

(Q) *Cancellation*

This POLICY may be cancelled:

- (1) at any time by the NAMED INSURED by mailing written notice to the COMPANY stating when thereafter cancellation shall be effective; or
- (2) at any time by the COMPANY:
 - (a) by mailing written notice to the NAMED INSURED stating when, not less than ninety (90) days from the date notice was mailed, cancellation shall be effective; except, in the event of cancellation for non-payment of premiums, in which event such cancellation shall become effective ten (10) days after the notice was mailed.
 - (b) by mailing written notice to any person or organization wherein such notice is required by contract or written agreement with the NAMED INSURED stating when, not less than thirty (30) days from the date notice was mailed, cancellation shall be effective; except, in the event of cancellation for non-payment of premiums, in which event such cancellation shall become effective ten (10) days after the notice was mailed.

Proof of mailing of notice to the respective addresses in Items 7 and 8 of the Declarations and to the respective addresses of persons or organizations provided by the NAMED INSURED to the COMPANY in accordance with paragraph (2) (b) above, shall be sufficient proof of notice and the POLICY PERIOD shall end on the effective date and hour of cancellation stated in the notice. Delivery of such notice either by the NAMED INSURED or the COMPANY shall be equivalent to mailing.



Loida C. Morrison
Insurance & Risk Advisory Manager

Sempra Energy
Insurance & Risk Advisory
488 8th Avenue, HQ06
San Diego, CA 92101-3017

insurance@sempra.com

April 12, 2021

City of San Diego
Purchasing & Contracting Department
1200 Third Avenue, Suite 200
San Diego, CA 92101

Re: City of San Diego Gas Franchise Ordinance

To Whom It May Concern:

Please accept this letter as compliance with your request for evidence of self-insurance in accordance with the terms of the above-referenced gas franchise ordinance, as dictated under the terms of the ordinance, between San Diego Gas & Electric Company (“SDG&E”) and requestor. SDG&E hereby acknowledges that it is permissibly self-insured by the State of California and the following programs are in full force and effect:

Type of Insurance	Type of Policy	Policy Period	Limit ¹
Automobile Liability	Self-Insured	Continuous	\$1,000,000
Workers’ Compensation	Self-Insured	Continuous	Statutory
Employer Liability	Self-Insured	Continuous	\$1,000,000

1) Excess limits are included in the AEGIS Liability program

Attached are evidence of the certificates to self-insure for the above referenced coverages issued by the State of California Department of Industrial Relations and Department of Motor Vehicles.

Any claims resulting from SDG&E’s operations may be referred to:

San Diego Gas & Electric Company
Attention: Jennifer Fernandez, Claims Manager
8315 Century Park Court
San Diego, CA 92123

Should you have any questions or require additional coverage information, please feel free to contact me.

By its duly authorized representative,

Loida C. Morrison

Loida C. Morrison
Insurance & Risk Advisory Manager

STATE OF CALIFORNIA
DEPARTMENT OF INDUSTRIAL RELATIONS
OFFICE OF THE DIRECTOR

NUMBER 0133-B

CERTIFICATE OF CONSENT TO SELF-INSURE

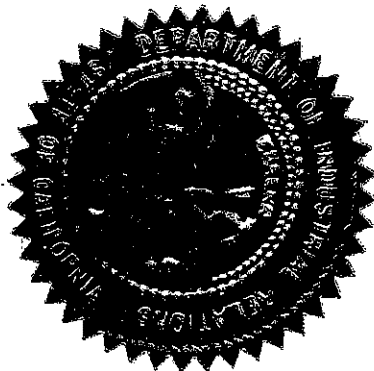
SAN DIEGO GAS & ELECTRIC COMPANY

(a California corporation)

THIS IS TO CERTIFY, That Subsidiary of SEMPRA ENERGY - Certificate No.: 0133

has complied with the requirements of the Director of Industrial Relations under the provisions of Sections 3700 to 3705, inclusive, of the Labor Code of the State of California and is hereby granted this Certificate of Consent to Self-Insure.

This certificate may be revoked at any time for good cause shown.*



EFFECTIVE:

THE 9TH DAY OF December, 19 52

DEPARTMENT OF INDUSTRIAL RELATIONS
OF THE STATE OF CALIFORNIA

Stephen J. Smith
STEPHEN J SMITH DIRECTOR

Mark B. Ashcraft
MARK B. ASHCRAFT MANAGER

* Revocation of Certificate.—“A certificate of consent to self-insure may be revoked by the Director of Industrial Relations at any time for good cause after a hearing. Good cause includes, among other things, the impairment of the solvency of such employer, the inability of the employer to fulfill his obligations, or the practice by such employer or his agent in charge of the administration of obligations under this division of any of the following: (a) Habitually and as a matter of practice and custom inducing claimants for compensation to accept less than the compensation due or making it necessary for them to resort to proceedings against the employer to secure the compensation due; (b) Discharging his compensation obligations in a dishonest manner; (c) Discharging his compensation obligations in such a manner as to cause injury to the public or those dealing with him.” (Section 3702 of Labor Code.) The Certificate may be revoked for noncompliance with Title 8, California Administrative Code, Group 2—Administration of Self-Insurance.

DEPARTMENT OF MOTOR VEHICLES

P. O. BOX 942884
SACRAMENTO, CA 94284-0884
(916) 657-6520



April 7, 2020

S.I. # 11

San Diego Gas & Electric Company
488 8th Avenue, HQ06N1
San Diego, California 92101
Attention: Ms. Melissa Schoening

Dear San Diego Gas & Electric Company,

Your annual report/financial statements have been reviewed and the requirements for renewal of your self-insurance certificate have been met. Your self-insurance status is valid from May 1, 2020, through April 30, 2021.

Vehicle Code Section 16020 requires that every driver and every owner shall at all times be able to establish financial responsibility and shall at all times carry in the vehicle evidence of the form of financial responsibility in effect for the vehicle. A copy of your Certificate of Self-Insurance or a copy of this letter constitutes written evidence of financial responsibility and should be placed in each of your affected vehicles.

If you have any questions or need further information, please call the administrative staff at (916) 657-6520.

Sincerely,

A handwritten signature in black ink, appearing to read 'George Tarres'.

George Tarres, Unit Manager
Financial Responsibility Unit



CERTIFICATE OF SELF-INSURANCE

This is to certify that:

San Diego Gas & Electric Co

NAME OF SELF-INSURER

488 8th Ave, HQ06N1 San Diego, California 92101

ADDRESS, CITY, STATE, ZIP

has been approved as a Self-Insurer under the California Compulsory Financial Responsibility

Law and assigned Self-Insurance # 11 pursuant to Section 16053 of the *California*

Vehicle Code for the period May 1, 2020 through April 30, 2021.

MANAGER
Financial Responsibility Unit
Department of Motor Vehicles

DEPARTMENT OF MOTOR VEHICLES

P. O. BOX 942884
SACRAMENTO, CA 94284-0884
(916) 657-6520



March 25, 2021

S.I. # 11

Sempra Energy-San Diego Gas & Electric
488 8th Avenue, HQ06N1
San Diego, California 92101
Attention: Ms. Melissa Schoening

Dear Sempra Energy-San Diego Gas & Electric,

Your annual report/financial statements have been reviewed and the requirements for renewal of your self-insurance certificate have been met. Your self-insurance status is valid from May 1, 2021, through April 30, 2022.

Vehicle Code Section 16020 requires that every driver and every owner shall at all times be able to establish financial responsibility and shall at all times carry in the vehicle evidence of the form of financial responsibility in effect for the vehicle. A copy of your Certificate of Self-Insurance or a copy of this letter constitutes written evidence of financial responsibility and should be placed in each of your affected vehicles.

If you have any questions or need further information, please call the administrative staff at (916) 657-6520.

Sincerely,

A handwritten signature in blue ink, appearing to read "Thomas Aguilar".

THOMAS AGUILAR, Manager III
Financial Responsibility Unit



CERTIFICATE OF SELF-INSURANCE

This is to certify that:

San Diego Gas & Electric Co

NAME OF SELF-INSURER

488 8th Ave, HQ06N1 San Diego, California 92101

ADDRESS, CITY, STATE, ZIP

has been approved as a Self-Insurer under the California Compulsory Financial Responsibility

Law and assigned Self-Insurance # 11 pursuant to Section 16053 of the *California*

Vehicle Code for the period May 1, 2021 through April 30, 2022.

MANAGER

Financial Responsibility Unit
Department of Motor Vehicles