

DEAR PLAYA DEL REY COMMUNITY MEMBER,

We have been working hand-in-hand with our neighbors in Playa del Rey for years, and remain committed to open communication that supports our collaborative community partnership. We are pleased to share with you the Spring 2018 issue of the Playa del Rey Natural Gas Storage Facility (PDR) Newsletter.

CONNECTING WITH THE LOCAL COMMUNITY

SAFETY ENHANCEMENTS CONTINUE AT PDR

SoCalGas® continues to take proactive steps to make sure our storage facilities not only meet, but exceed the rigorous new standards set by state and federal regulators. Working with state agencies assisted by leading experts, we've introduced new safety enhancements, comprehensive inspections, and advanced monitoring technologies at PDR and have also worked to enhance communications with residents who live near the facility. All of the wells at PDR are undergoing a battery of tests that state regulators and independent experts at the National Labs have called "the most comprehensive tests in the nation."

Recently, some groups advocating to end the use of natural gas in California have made claims that SoCalGas' PDR facility is unsafe. The fact is, local natural gas storage fields, like PDR, are safe and play a critical role in maintaining the reliability and affordability of both our natural gas and electricity systems and help protect families and consumers from energy shortages and from seasonal and sudden spikes in the price of natural gas.

SUPPORTING THE LOCAL COMMUNITY

SoCalGas has a longstanding commitment to the communities where we do business that goes far beyond the clean, safe, reliable, and affordable natural gas service we deliver. For years, SoCalGas has been an environmental steward in the local community, working closely with California Department of Fish and Wildlife, State Coastal Conservancy, and The Bay Foundation to protect and preserve the Ballona Wetlands, and recently, we had almost 50 of our own employees volunteer to help clean the wetlands on Earth Day. We not only work here, we live here too.

We also work to improve and support educational opportunities and workforce development by promoting success in science, technology, engineering, and math (STEM) through school funding and student scholarships. A graduating senior from Westchester Enriched Sciences Magnet High School, was one of the recipients of a SoCalGas "Energizing our Future" scholarship of \$5,000 to assist during her first year of college. Last year, SoCalGas contributed almost \$25,000 to local schools in the PDR/Westchester community to help bridge the funding gap for STEM programs. This year, we hope to double that amount.

CHOICE AND AFFORDABILITY MATTER

In California, a lot of work has been done to measure and model emissions linked to climate change. According to the California Air Resources Board (CARB), about 40 percent of all greenhouse gas emissions in the state come from the transportation sector, with heavy duty trucks being the single greatest source. Agriculture and waste are also significant contributors in California. More than 80 percent of methane emissions in the state come from farms, dairies and landfills. In contrast, natural gas end uses in residential buildings account for about five percent of emissions statewide, according to CARB. At SoCalGas, we are committed to ensuring that California maintains a balanced climate strategy – one that achieves greenhouse gas reductions, but that keeps energy affordable and protects consumer choice.

Earlier this month, the California Building Industry Association (CBIA) found that replacing natural gas in every home would cost California families up to \$6 billion annually and require most buildings to undergo expensive retrofits. That's an almost \$900 increase in annual energy costs for every California family. A separate **CBIA study** recently found that only 10 percent of voters would consider purchasing an all-electric home and 80 percent oppose laws that would take away their natural gas appliances. Doing the math shows us that California needs a balanced strategy – one that achieves climate goals, but considers the impacts on families and businesses. Affordability and choice matter.

"Poverty and homelessness are driven by many factors, but one of the most critical is the precipitous increase in the cost of living in L.A. County, which includes housing and home expenses. United Way of Greater Los Angeles has a long-standing relationship with our utility partners to ensure all families are able to pay their utility bills through the Utility Assistance Program. These recent studies underscore the commitment needed to understand all the underlying factors that can contribute to financial instability, potentially forcing struggling families deeper into poverty and homelessness"

Elise Buik, President and CEO;
United Way of Greater Los Angeles

AFFORDABLE, RELIABLE ENERGY FOR ALL

SoCalGas is committed to delivering affordable, reliable, clean, and increasingly renewable energy to more than 21 million Californians. Today, more than 90 percent of residents use clean natural gas to heat their homes and water. Southern Californians prefer natural gas for those uses because it is affordable and more reliable than electricity.

SoCalGas has been tasked by the State with procuring reliable, low-cost, natural gas supplies for our residential and small business customers. Local natural gas storage allows us to buy natural gas when prices are low and store the gas locally, so it can be delivered to customers during periods of high demand or when natural gas prices are high. Local natural gas storage is just one reason why SoCalGas customers benefit from the second lowest natural gas bills in the country.

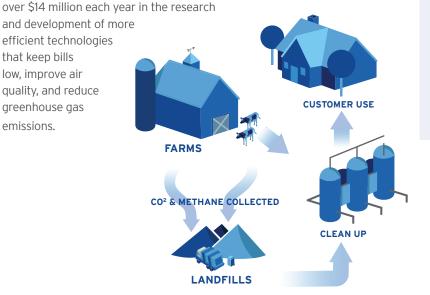
To learn how natural gas storage works, watch our video available on SoCalGas' YouTube Channel.

GREEN ENERGY AROUND-THE-CLOCK

Renewable energy is an increasingly important part of California's future. Like electricity, natural gas can be renewable, too. Renewable natural gas (RNG) is natural gas derived from organic waste material found in daily life, such as food waste, garden and lawn clippings, and animal and plant-based material as well as degradable carbon sources like paper, cardboard, and wood. The abundance of these materials allows for the production of substantial quantities of biogas. Renewable natural gas production allows us to harness these resources in order to reduce the more than 80 percent of methane emissions that are coming from farms, dairies and landfills in the state and power California. A **study** conducted by UC Davis estimates that more than 20 percent of California's current residential natural gas use can be provided by RNG derived from our state's existing organic waste alone. Another benefit of RNG is that, unlike wind and solar, which are intermittent energy sources, RNG is available 24/7 and can be deployed through the existing pipeline network when and where it is needed.

The expanded development of RNG coupled with innovations that make home appliances more efficient are some of the solutions SoCalGas is working on to reduce greenhouse gas emissions and keep your energy affordable. We invest

and development of more efficient technologies that keep bills low, improve air quality, and reduce greenhouse gas emissions.



WHAT'S THAT SMELL?

Last month, you may recall reading or hearing about reports of an area odor in Venice that was determined to be coming from an offshore source. That's because, the ocean can naturally produce an unpleasant rotten-egg smell, making it difficult to differentiate between the two. The best way to know for sure if an area odor is coming from the ocean or natural gas is to call SoCalGas at 1-800-427-2000, available 24 hours a day, seven days a week. For more information on what to do if you suspect a natural gas leak, visit socalgas.com.

QUESTIONS?

To request use of our facility for neighborhood watch meetings or CPR training, or if you have any comments or questions about this newsletter, please write or call:

Mike Harriel

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TAKE A TOUR OF PDR

Guided tours of the facility are available to local residents of the Westchester and Playa del Rey communities. Anyone interested in attending one of these tours is asked to contact SoCalGas Regional Public Affairs Manager Mike Harriel.

SIGN UP FOR COMMUNITY NOTIFICATIONS

Members of the PDR community can sign up to receive Community Notifications in the event of a release of natural gas at any one of SoCalGas' natural gas storage facilities, including Playa del Rey. Visit socalgas.com/ communitynotifications or call 1-800-427-2200.

For more information about PDR, visit socalgas.com/playadelrey.









