



Renewable Gas Infrastructure

Provides Secure Path
to Decarbonization

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Énergir, SoCalGas, GRTgaz, and GRDF align on vision to accelerate deployment of renewable gases.

Leveraging existing gas infrastructure and expertise helps deliver the most affordable and resilient path to carbon neutrality.

Since the 2015 Paris Agreement, governments, scientists, and the private sector have been coming into alignment on the tools the world needs to achieve carbon neutrality by mid-century. At the same time, geopolitical events have placed a renewed focus on the security of domestic energy supply as an urgent priority. New research and collaboration among researchers and energy companies around the world, as well as successes in the operational development of renewable gases (energy produced from renewable sources) in many countries, are giving policymakers a clearer view of how decarbonization and energy security are both within our reach.

Renewable gases projected to be almost half of the net-zero emissions energy consumption by 2050*

Scientists and regulators ranging from cities around the world to international bodies have embraced the need for a broad set of tools to achieve net-zero greenhouse gas emissions across all sectors of the economy. To achieve these targets by mid-century, global economies will need to rapidly scale up the energy supply so they can produce and transport clean renewable gases in a low-cost, safe, and reliable manner.

Yes, there will be more renewable electricity. But there is also much more attention these days on cleaner lower emissions molecules, like renewable gas (gas produced from decomposing organic waste) and clean renewable hydrogen (hydrogen produced by electrolysis from a renewable source), that experts agree will be needed to make renewable energy available 24/7/365, and to power industries that cannot be plugged in. For example, the European Commission has set a target of 35 billion cubic meters of annual biomethane production and twenty million tons of renewable and low carbon hydrogen consumption by 2030 through its “Repower EU” plan.

Make no mistake about it – the energy transition requires reliable, flexible, and resilient infrastructure, as well as the ability to leverage and repurpose our existing infrastructure and energy know-how to make our present systems work seamlessly with new technologies. It requires skilled labor, and cooperation and planning among governments, residents, environmental groups, businesses, and major sectors of our economy like manufacturers, power generators, and transportation providers.

Leveraging the size and scale of existing infrastructure and workforces is key to accelerating the clean energy transition.

* According to an analysis from Green Hydrogen Coalition, the International Panel on Climate Change (IPCC), and the International Energy Agency (IEA). <https://www.ghcoalition.org/guidebook>

Today, numerous projects around the world demonstrate how existing natural gas infrastructure—and the skilled workforce that builds, operates, and maintains it— can also safely deliver renewable gas, or renewable hydrogen.

From our nations' leaders to the local policymakers who worry about how best to balance our energy supply security and decarbonization needs, the implications are clear:

It will take continued investment in energy infrastructure and our energy workers, as well as integrated planning to deliver the most affordable, resilient, and technologically proven path to full carbon neutrality.

Without diverse decarbonization options, any single path risks us missing our mid-century decarbonization goals, jeopardizes energy reliability, and could subject millions of energy customers to high and unpredictable utility costs.

In the long run, leveraging our existing infrastructure systems and our decades of expertise can help make the transition to clean energy by mid-century easier and more affordable for our customers, rather than starting from scratch.

In Europe for example, more than a dozen companies working together through the Hydrogen Backbone Initiative have demonstrated that up to 70% of the infrastructure needed to carry clean renewable hydrogen to hubs throughout the European Union could be developed by repurposing existing infrastructure.

France has proven a potential of 100% renewable gases in 2050 and calls for at least 20 percent of gas consumption by 2030 according to the Agency for Environment and Energy Management (ADEME).

In the U.S., the federal government has implemented clean hydrogen and fuel cell incentives to help lower production costs and accelerate the adoption of these clean fuels. The federal government is also investing billions of dollars to develop regional hydrogen and carbon management hubs across the country.

Regulators last year made California the first state in the country to adopt a renewable gas standard, which requires utilities to replace at least 12% of the traditional gas it delivers to core customers with renewable gas by 2030.

Cooperation is Essential

The collaboration between Énergir, SoCalGas, GRTgaz and GRDF was born in 2018 with a common goal of developing and advancing climate change solutions while providing our 34 million customers with reliable and affordable energy. Since that time, we have made significant advances toward a more secure and lower carbon future.

For example, SoCalGas is active in more than two dozen research and development initiatives centered around clean fuels and carbon management. Having set an aspiration of net-zero emissions by 2045, the company has also proposed Angeles Link, which could become one of North America's largest clean renewable hydrogen energy infrastructure systems with the potential to deliver clean renewable hydrogen in an amount equal to 25% of the gas the company delivers today; enable fuel switching for four natural gas power plants; and displace more than 1 billion gallons of diesel fuel annually from heavy duty transportation (fuel switching could also provide much needed clean air benefits to local communities).

Potential to displace more than 1 billion gallons of diesel fuel annually

In France, GRDF and GRTgaz have supported the development of large-scale production of biomethane, a renewable gas made of organic decomposition. Today, more than 500 biomethane plants produce 10 terrawatt-hours/year, the equivalent of heating more than 2 million houses. On top of this development in the French territories, GRDF continues R&D and testing of other clean fuels, such as synthetic methane and hydrogen. With the Research & Innovation Center for Energy (RICE), GRTgaz has a reference research center in Europe for the injection, management, and conversion of infrastructures to renewable gases. At the same time, more and more European manufacturers are showing interest in the prospect of being able to have shared infrastructure for the transport of hydrogen and carbon dioxide in order to decarbonize their process. By 2030, seven hundred kilometers of hydrogen pipelines could be in service in France.

Québec has set targets of 10% of RNG delivered to Énergir's customers in 2030.

In Québec, the government of Québec has set targets of 10% of renewable natural gas (RNG) delivered to Énergir's customers in 2030. In order to achieve those targets, more than 280M CAD\$ is being made available to RNG producers for the development of their projects. Currently, five projects are producing RNG in Québec which directly contributes to reaching the Québec government's targets.

Recently, Énergir has announced a partnership with Nature Energy from Denmark to build up to 10 projects that could produce as much as 200Mm³ of RNG and would represent an investment of up to 1 BCAD\$. Énergir is also currently testing the capacity of its gas system to receive hydrogen and make sure it can still be operated safely and reliably.

Lastly but not the least, the Énergir /Hydro-Québec dual energy offer is an example of a concerted effort to leverage both the electric and the gas infrastructures to deliver significant GHG reductions while maintaining lower energy costs for customers.

The last few years have taught us that as we pursue our twin goals of energy security and decarbonization, there will be renewed focus on domestic and local renewable energy development that is less vulnerable to regional and international supply shocks. Our existing infrastructure systems and the skilled workers who build and maintain those systems today can help accelerate this transition and make it more reliable and affordable for families and businesses alike. Through continued collaboration we can advance technologies and policies within and across borders that deliver a brighter, more secure and cleaner energy future.



About GRDF

As the main gas distribution network operator in France, GRDF distributes gas every day to more than 11 million customers for heating, cooking and transport, regardless of their supplier. To this end, in accordance with its public service missions, GRDF designs, builds, operates and maintains the largest distribution network in Europe (204,239 km) in more than 9,500 municipalities, guaranteeing the safety of people and property and the quality of distribution.

Gas is a modern form of energy that is available, economical and increasingly respectful of the environment. With the rise of green gas, a locally produced renewable gas, the gas network is an essential link in the ecological transition. GRDF is a key partner for local authorities, helping them to achieve carbon neutrality through their energy and sustainable mobility policies.



About GRTgaz

GRTgaz is Europe's second-largest gas carrier, with 32,500 km of pipes and 708 TWh of gas transported in 2022. GRTgaz has a mission statement: "Together, we enable an energy future that is safe, affordable and climate neutral". GRTgaz is an innovative company undergoing a major transformation to adapt its network to new industrial, digital and ecological challenges (hydrogen and renewable gas). Find us at <https://www.grtgaz.com/>, on [Twitter](#), on [LinkedIn](#), [Instagram](#) and on [Facebook](#).



About Énergir

With more than \$9 billion in assets, Énergir, L.P. is a diversified energy company whose mission is to meet the energy needs of its 535,000 customers and the communities it serves in Quebec and Vermont, in an increasingly sustainable manner. Énergir, L.P. is the largest natural gas distribution company in Quebec and also produces electricity from wind energy through joint ventures. Through subsidiaries and other investments, the company operates in the United States, where it produces electricity from water, wind and solar sources, and is the main electricity distributor and sole distributor of natural gas in the State of Vermont. Énergir, L.P. promotes energy efficiency, invests in and continues to be involved in innovative energy projects such as renewable natural gas and liquefied and compressed natural gas. Through its subsidiaries, it also offers a variety of energy services. “Énergir, L.P. is striving to become the sought-after and valued partner by all those who aspire to a better energy future.”



About SoCalGas

Headquartered in Los Angeles, [SoCalGas®](#) is the largest gas distribution utility in the United States. SoCalGas delivers affordable, reliable, and increasingly renewable gas service to more than 21 million consumers across [24,000 square miles](#) of Central and Southern California. Gas delivered through the company’s pipelines will continue to play a key role in California’s clean energy transition—providing electric grid reliability and supporting wind and solar energy deployment.

SoCalGas’ mission is to build the [cleanest, safest and most innovative energy company in America](#). In support of that mission, SoCalGas aspires to achieve [net-zero greenhouse gas emissions](#) in its operations and delivery of energy by 2045 and to replacing 20 percent of its traditional natural gas supply to core customers with renewable natural gas (RNG) by 2030. Renewable natural gas is made from waste created by landfills and wastewater treatment plants. SoCalGas is also committed to investing in its gas delivery infrastructure while keeping bills affordable for customers. SoCalGas is a subsidiary of [Sempra](#) (NYSE: SRE), an energy services holding company based in San Diego. For more information visit socalgas.com/newsroom or connect with SoCalGas on [Twitter](#) (@SoCalGas), [Instagram](#) (@SoCalGas) and [Facebook](#).

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In this press release, forward-looking statements can be identified by words such as “believes,” “expects,” “intends,” “anticipates,” “contemplates,” “plans,” “estimates,” “projects,” “forecasts,” “should,” “could,” “would,” “will,” “confident,” “may,” “can,” “potential,” “possible,” “proposed,” “in process,” “construct,” “develop,” “opportunity,” “initiative,” “target,” “outlook,” “optimistic,” “maintain,” “continue,” “progress,” “advance,” “goal,” “aim,” “commit,” or similar expressions, or when we discuss our guidance, priorities, strategy, goals, vision, mission, opportunities, projections, intentions or expectations. Factors, among others, that could cause actual results and events to differ materially from those expressed or implied in any forward-looking statement include risks and uncertainties relating to: decisions, investigations, regulations, issuances or revocations of permits or other authorizations, renewals of franchises, and other actions by (i) the California Public Utilities Commission (CPUC), U.S. Department of Energy, and other governmental and regulatory bodies and (ii) the U.S. and states, counties, cities and other jurisdictions therein in which we do business; the success of business development efforts and construction projects, including risks in (i) completing construction projects or other transactions on schedule and budget, (ii) realizing anticipated benefits from any of these efforts if completed, and (iii) obtaining the consent or approval of partners or other third parties, including governmental and regulatory bodies; civil and criminal litigation, regulatory inquiries, investigations, arbitrations and other proceedings, including those related to the natural gas leak at the Aliso Canyon natural gas storage facility; changes to laws and regulations; cybersecurity threats, including by state and state-sponsored actors, by ransomware or other attacks on our systems or the systems of third-parties with which we conduct business, including to the energy grid or other energy infrastructure, all of which have become more pronounced due to recent geopolitical events, such as the war in Ukraine; failure of our counterparties to honor their contracts and commitments; our ability to borrow money on favorable terms or otherwise and meet our debt service obligations, including due to (i) actions by credit rating agencies to downgrade our credit ratings or place those ratings on negative outlook and (ii) rising interest rates and inflation; the impact on our cost of capital and the affordability of customer rates due to volatility in inflation, interest rates and commodity prices and our ability to effectively hedge these risks; the impact of energy and climate policies, laws, rules and disclosures, as well as related goals and actions of companies in our industry, including actions to reduce or eliminate reliance on natural gas, any deterioration of or increased uncertainty in the political or regulatory environment for California natural gas distribution companies and the risk of nonrecovery for stranded assets; the pace of the development and adoption of new technologies in the energy sector, including those designed to support governmental and private party energy and climate goals, and our ability to efficiently incorporate them into our business; weather, natural disasters, pandemics, accidents, equipment failures, explosions, acts of terrorism, information system outages or other events that disrupt our operations, damage our facilities or systems, cause the release of harmful materials, cause fires or subject us to liability for damages, fines and penalties, some of which may not be recoverable through regulatory mechanisms, may be disputed or not covered by insurers, or may impact our ability to obtain satisfactory levels of affordable insurance; the availability of natural gas and natural gas storage capacity, including disruptions caused by limitations on the withdrawal of natural gas from storage facilities; the impact of the COVID-19 pandemic on capital projects, regulatory approvals and the execution of our operations; changes in tax and trade policies, laws and regulations, including tariffs, revisions to international trade agreements and sanctions, such as those that have been imposed and that may be imposed in the future in connection with the war in Ukraine, which may increase our costs, reduce our competitiveness, impact our ability to do business with certain counterparties, or impair our ability to resolve trade disputes; and other uncertainties, some of which are difficult to predict and beyond our control. These risks and uncertainties are further discussed in the reports that the company has filed with the U.S. Securities and Exchange Commission (SEC). These reports are available through the EDGAR system free of charge on the SEC’s website, <http://www.sec.gov>, and on Sempra’s website, <http://www.sempra.com>. Investors should not rely unduly on any forward-looking statements. Sempra Infrastructure, Sempra Texas, Sempra Mexico, Sempra Texas Utilities, Oncor Electric Delivery Company LLC (Oncor) and Infraestructura Energética Nova, S.A.P.I. de C.V. (IEnova) are not the same companies as the California utilities, San Diego Gas & Electric Company or Southern California Gas Company, and Sempra Infrastructure, Sempra Texas, Sempra Mexico, Sempra Texas Utilities, Oncor and IEnova are not regulated by the CPUC