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February 28, 2018

Mayor Kevin Faulconer  
City of San Diego  
202 C Street, 11<sup>th</sup> Floor  
San Diego, CA 92101

Dear Mayor Faulconer:

Sempra Services shares the City's goal of meaningfully reducing greenhouse gas emissions throughout San Diego. Accomplishing the bold objectives set forth in the City's Climate Action Plan (CAP) will improve our environment, economy and quality of life. For San Diego to truly benefit from this landmark legislation, we need to implement programs and policies that result in real emissions reductions within our communities.

We recently read with great interest in a February 12, *San Diego Union Tribune* article that leaders of the environmental community share our desire for true local emissions reductions as well. As it relates to the transportation section of the CAP, Sophie Wolfram of the Climate Action Campaign noted that taking credit for reductions that aren't actually occurring will not will not accomplish the objectives of the CAP. "It's a big issue that the city is taking credit for reductions that aren't real," she said.

We completely agree that it will take real and additional emission reductions to deliver the environmental and economic benefits our communities deserve. Relying on efforts that simply offer the appearance of emissions reductions will not meaningfully address the climate challenges facing our City. As San Diego moves forward evaluating options for reaching 100 percent renewable energy by 2035, we expect, as Ms. Wolfram noted, that real and additional emission reductions will be the standard for success in the energy section of the CAP as well.

One of the benefits of renewable generation is that once it has been constructed, it will run on a must run basis whenever the renewable resource (i.e., sun or wind) is available and the power can be delivered to customers. As a result, the key to producing real and additional emission reductions in the energy sector is to take actions that result in more construction of new renewable energy generation facilities to replace existing gas-fired power plants than would otherwise occur. Two factors are critical to the development of these projects. First, long-term contracts are necessary to provide renewable energy developers with the economic certainty they need to move forward. Second, all energy

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marketed as “renewable” or “zero carbon” must meet the stringent requirements of California’s Renewables Portfolio Standard (RPS). We look forward to further analysis of the various renewable energy programs under consideration by the City to determine if they meet these standards.

We want to see the City achieve its climate goals in a way that truly benefits San Diego and the environment. That starts by taking steps to ensure that in order to count towards CAP goals, all emission reductions must accomplish the City’s objective of reducing greenhouse gasses. Claiming credit for emission reductions that are already occurring will not do that, but ensuring that any actions taken in the energy sector to reduce emissions actually increase renewable development will. We applaud the Climate Action Campaign for recognizing this as well and look forward to working with the City to help make it a reality.

Sincerely,

A handwritten signature in black ink, appearing to read 'Frank Urtasun', with a stylized, flowing script.

Frank Urtasun  
Sempra Services

cc: Aimee Fawcett  
Erik Caldwell  
Kris Michell  
David Graham  
Elyse Lowe