



Risk Assessment and Mitigation Phase Cross-Functional Factor

**(SCG-CFF)
Introduction**

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I. INTRODUCTION

SoCalGas’s inclusion of this cross-functional factor (CFF) Volume is similar to the cross-cutting factors first presented by PG&E in their 2020 RAMP submission, providing additional information regarding foundational, safety-related initiatives that are associated with more than one RAMP risk. In response to feedback received, the Companies created the CFF volume to address some of the various topics raised by parties that would not be standalone risk chapters. The CFFs provide this information in chapter format for ease of presentation, rather than dispersing it throughout the RAMP Report.

SoCalGas’s CFF Volume comprises the following eight chapters:

A. CFF-1: Asset and Records Management

Enterprise Asset Management (EAM) at SoCalGas is integrated with our adoption of the national International Standards Organization (ISO) 55000 standard as a guide, and is a core component of our Safety Management Systems (SMS) organization, aligned with the American Petroleum Institute (API) 1173 recommended practice for pipeline safety. Similar to the SDG&E Asset Management and Records Management CFFs, this CFF spans multiple lines of business and helps address several RAMP risks in this Report

B. CFF-2: Energy System Resilience

The purpose of this CFF is to present the adaptation assessment and mitigation plan of SoCalGas for the safety-related threats to gas infrastructure posed by global climate change and the resulting natural forces stemming therefrom. This “adaptation assessment” amounts to the identification of options to adapt to actual or expected climatic changes. In addition, this CFF will address and offer a narrative around the importance of maintaining and investing in the gas grid to support reliability and resiliency of the energy infrastructure as well as the clean transportation, hydrogen energy storage, and other clean energy efforts and plans for SoCalGas. This CFF also discusses some of the investments SoCalGas is undertaking to decarbonize the gas grid. Our commitments include, but are not limited to, replacing our gas supply with RNG and advancing the role green hydrogen could play in attaining California’s goal of achieving carbon neutrality.

C. CFF-3: Emergency Preparedness and Response and Pandemic

Emergency Preparedness and Response and Pandemic is defined as the preparation to respond to potential hazard events which may impact the safe, reliable, and clean storage,

transmission, and distribution of natural gas. Operational disruptions have the potential to adversely affect the health and safety of the workforce or the general public, may negatively impact operations, and/or company assets. This CFF presents a comprehensive set of capabilities for emergency response measures.

D. CFF-4: Foundational Technology Systems

Foundational Technology Systems is included as a 2021 RAMP CFF because of the criticality and necessity of providing SoCalGas a means to communicate with the public, first responders and employees. These systems are used in every aspect of operations, customer engagement, and emergency response. Included are a significant portion of the Companies' software application systems, communication networks, monitoring systems, end-user systems, and hardware and software platforms. The safety and reliability of operations depends on Foundational Technology Systems; thus, it is critical for these systems to be resilient and recoverable to allow focus on mitigation risks.

E. CFF-5: Physical Security

Physical security encompasses the systems and activities that maintain the safety of employees, contractors, vendors, the public, SoCalGas facilities, and infrastructure, through people, processes, and technology. Having a strong physical security program is foundational to many of our RAMP risks.

F. CFF-6: Safety Management Systems (SMS)

The implementation of its SMS is anchored in SoCalGas's Safety Values. In 2019, SoCalGas formally adopted seven safety values: Leadership Commitment; Risk Management; Employee & Stakeholder Engagement; Competence, Awareness & Training; Emergency Preparedness & Response; Safety & Compliance Assurance; and Continuous Improvement. All of SoCalGas's RAMP risks and cross-functional factors are associated with the SMS cross functional factor. This is due to the design of the SMS framework, which covers every aspect of SoCalGas's business when it comes to safety. As such, SMS Safety Values guide the ongoing implementation and improvements in each risk area and, in turn, the controls and mitigations covered in all RAMP risks demonstrate how various safety programs adhere to the safety values and support the effectiveness of SMS.

G. CFF-7: Workforce Planning / Qualified Workforce

The workforce planning/qualified workforce CFF addresses having an appropriate number of employees with the right skills to meet business needs. Many factors impact the Company's ability to recruit, retain, and train qualified employees. While the lack of qualified workforce could have several impacts to operations, the activities presented in the CFF focus on safety only. This is a cross functional factor which affects all operational business units and other risks identified by the Company.