

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

AltaGas, a Canadian corporation, is a leading North American energy infrastructure company that connects NGLs and natural gas to domestic and global markets. The Corporation's long-term strategy is to grow in attractive areas across its Utilities and Midstream business segments seeking optimal capital deployment. In the Midstream business, the Corporation is focused on optimizing the full value chain of energy exports by providing producers with solutions, including global market access off the West Coast of Canada via the Corporation's footprint in the Montney region. In the Utilities business, the Corporation seeks to grow through rate base investment and the use of accelerated rate recovery programs, while providing effective and cost-efficient service for customers. AltaGas has three business segments:

- Utilities, which serves approximately 1.7 million customers with a rate base of approximately US\$3.9 billion through ownership of regulated natural gas distribution utilities across five jurisdictions in the United States and two regulated natural gas storage utilities in the United States, delivering clean and affordable natural gas to homes and businesses. The Utilities business also includes storage facilities and contracts for interstate natural gas transportation and storage services;
- Midstream, which includes a 70 percent interest in the recently completed Ridley Island Propane Export Terminal, allowing AltaGas to leverage its assets along the energy value chain in Western Canada including natural gas gathering and processing, NGL extraction and fractionation, and natural gas and NGL marketing. The Midstream segment also includes transmission, storage, an interest in a regulated pipeline in the Marcellus/Utica gas formation in the northeastern United States, WGL's retail gas marketing business, the Corporation's 50 percent interest in AIJVL, and an indirectly held approximate one-third ownership investment in Petrogas, through which AltaGas' interest in the Ferndale terminal is held; and
- Power, which includes natural gas-fired, distributed generation, and energy storage assets, certain of which are pending sale, located in Alberta, Canada and the United States, primarily in California and Colorado. The Power business also includes energy efficiency contracting and WGL's retail power marketing business.

Our talented team, nearly 3,000 strong, leverages the strength of our assets and expertise along the energy value chain to connect customers with premier energy solutions – from the well sites of upstream producers to the doorsteps of homes and businesses, to new markets around the world.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2019	December 31 2019	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

- Canada
- United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

- CAD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

- Operational control

C-EU0.7

(C-EU0.7) Which part of the electric utilities value chain does your organization operate in? Select all that apply.

Row 1

Electric utilities value chain

Electricity generation

Other divisions

Please select

C-OG0.7

(C-OG0.7) Which part of the oil and gas value chain and other areas does your organization operate in?

Row 1

Oil and gas value chain

Midstream

Other divisions

Please select

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	AltaGas has four standing committees of the Board of Directors: (1) Audit, (2) Governance, (3) Human Resources and Compensation (HRC) and (4) Environment, Health and Safety ("EHS"). The EHS Committee oversees the development of the environment, health and safety programs for AltaGas and its subsidiaries and makes recommendations to the Board regarding the organization's approach to environment, health and safety matters including climate-related issues.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	<ul style="list-style-type: none"> Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues 	<Not Applicable>	<p>The Board is responsible for the stewardship of the Company and for overseeing the management of AltaGas' business and affairs. The Board believes that the key tenants of successfully managing the business and affairs of AltaGas include: • Developing and Supporting Sound Governance Practices • Overseeing strategy and strategy execution • Ensuring the right leaders are in place • Overseeing risk management • Ensuring integrity of financial statements and financial reporting • Overseeing ESG matters</p> <p>The strategic planning process includes consideration of our broader ESG goals, stakeholder engagement, community investment, employee development and environmental stewardship required to achieve the plan, while also assessing the key risks, both internal and external to achieving the strategy. At every Board meeting, time is dedicated to evaluating and measuring progress toward strategy execution and evaluating key near-term and long-term risks. The strategic plan guides management's evaluation of potential opportunities, and shapes its decision-making relating to budgeting, talent development, succession planning and goal and objective setting towards building sustainable value for all our stakeholders. External advisors are engaged to provide views on market trends and other relevant topics pursuant to strategy and risk. The opportunities AltaGas pursues must meet strategic, operating and financial criteria to ensure alignment with the long-term strategy and ongoing organic growth potential, favorable risk profiles and strong risk-adjusted returns. The Board reviews AltaGas' financial objectives, plans and actions, and annually approves its consolidated budget and reviews and approves all material transactions. The Board is responsible for enterprise risk oversight and ensures appropriate systems are in place. All levels of the organization are engaged with the Enterprise Risk Management ("ERM") program which serves as the primary vehicle for aggregated risk management. As part of the ERM, leaders across the enterprise and within each business segment work together to identify the material risks and develop appropriate mitigation strategies. These risks are validated and ranked by senior leadership and reviewed with the Board and its committees. Each of AltaGas' committees oversee material risks within their functional areas and report to the Board on these matters. AltaGas' Short Term Incentive Plan provides an annual cash incentive tied to the achievement of corporate and individual results. For 2019, the HRC Committee and the Board set the target based on the 2019 business plan. The amount of the funding is based on the results of divisional and corporate value drivers (objectives). Value drivers are set based on a combination of strategic, operational, financial and corporate social responsibility objectives. The combination and weighting of the set value drivers is dependent on the priorities established for the year.</p>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The CEO's primary responsibility is to manage the business and affairs of the Corporation in accordance with the Corporation's strategy, which is designed to grow shareholder value considering sustainability and the best interests of the Corporation.

The CEO provides leadership and vision for the Corporation, and effectively communicates the vision and core values to all stakeholders. The CEO fosters a culture that promotes ethical practices and decision-making, diversity, individual integrity, safety and social responsibility in accordance with the Code of Business Ethics and core values of the Corporation.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
All employees	Monetary reward	Emissions reduction project	AltaGas' STI Plan provides an annual cash performance incentive tied to the achievement of corporate and individual results. The STI pool is funded based on the achievement of a set financial performance target. Once the STI pool is funded, the amount of the funding is based on the results of divisional and corporate value drivers (objectives). Value drivers are set based on a combination of strategic, operational, financial and corporate social responsibility objectives. The combination and weighting of the set value drivers is dependent on the priorities established for the year. Each value driver has objective measures established for determining success and exceeds ratings. Individual performance targets are determined by employee role.
Environment/Sustainability manager	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Company performance against a climate-related sustainability index	Within the corporate social responsibility objective a few of the key performance drivers for the Senior Vice President of Environment, Health, and Safety, include measurement, reporting and compliance (including meeting emission reduction targets) with regional and federal climate change programs, such as: (i) Alberta's Large final emitter regulation, (ii) Provincial GHG reporting requirements, (ii) British Columbia's Greenhouse Gas Reduction Act, Reporting Regulation, (iii) Canada's Greenhouse Gas Emissions Reporting Program, and (iv) California's Global Warming Solutions Act and the United States Environmental Protection Agency's Greenhouse Gas Reporting Program. Other drivers included ensuring AltaGas has a strong integrated Environmental Management System in place, along with supporting procedures, policies, and programs to best protect our employees, the environment, and the communities where we work.
Chief Executive Officer (CEO)	Monetary reward	Emissions reduction project Energy reduction project Efficiency project	Compensation programs and pay-outs for the Chief Executive Officer are strongly aligned with the achievement of a combination of strategic, operational, financial and corporate social responsibility objectives. Performance of executives forms a foundation on which all decisions to award compensation are based. The compensation program is designed to motivate management to operate the business in a safe, environmentally responsible and cost-effective manner, focusing on the longer term, and on providing the superior returns and social value that Shareholders expect.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	
Medium-term	3	6	
Long-term	6	10	

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

AltaGas defines a substantive or material risk as having a financial impact at or in excess of 3% of forecasted EBITDA. Using 3% of EBITDA as material for risk reporting is informed in part by what is deemed material for SOX reporting.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Oversight of AltaGas' strategy is one of the Board's key responsibilities under its mandate. Management is responsible for strategy development and each year the Board dedicates one meeting to discuss the strategic plan and set annual and long-term objectives pursuant to the strategic plan. Time is dedicated at each Board meeting to evaluating and measuring progress made toward strategy execution and evaluating key near-term and long-term risks to meeting strategic objectives. Management uses the strategic objectives to evaluate potential opportunities (both for organic growth and acquisitions and divestitures) and to shape its decision-making relating to, among other things, budgeting, future plans and executive compensation design. AltaGas' governance framework is designed to identify and mitigate risk, including climate change risk, associated with the Corporation's business. Effectively identifying and evaluating risks, both internal and external to our organization, and their potential impact to our business and our stakeholders, and developing processes and practices to mitigate such risks, is a central area of focus at AltaGas. AltaGas' governance framework is designed to effectively manage this process across the enterprise. With a large portion of AltaGas' business being comprised of regulated utilities, and given the regulated nature of the utility industry, the governance policies and compliance reporting of AltaGas' operating utility subsidiaries are subject to significant regulatory scrutiny within each of their respective jurisdictions. Ultimately, the Board is responsible for enterprise risk oversight and ensures appropriate systems are in place. All levels of the organization are engaged with the Enterprise Risk Management ("ERM") program which serves as the primary vehicle for aggregated risk management. As part of the ERM, leaders across the enterprise and within each business segment work together to identify the material risks and develop appropriate mitigation strategies. These risks are validated and ranked by senior leadership and reviewed with the Board and its committees. Each of AltaGas' committees oversee material risks within their functional areas and report to the Board on these matters. The Board, primarily through the Audit Committee, oversees AltaGas' ERM program. As well material risks and opportunities are considered in our formulation of our short-term (annual plan) and long-term strategic plan. At the asset level, risks/opportunities are mitigated through the integration into long-term and short-term plans as well as the budget for each facility, which in our Midstream and Power divisions includes a price for carbon and regulatory assumptions. This process ensures such costs are included in the planning and or operation of each asset. AltaGas conducts operational assessments at our facilities to highlight emission reduction opportunities and to increase site efficiency. Annually in our Midstream division, following annual greenhouse gas reporting, potential improvement opportunities are reviewed and implemented where appropriate. Where climate related risk/opportunities cannot be fully mitigated (such as natural disasters), AltaGas takes such risks into consideration in engineering, construction and design and AltaGas also looks to adapt business processes or maintain comprehensive insurance programs to reduce the potential impact of these types of events on the organization. An example of AltaGas' management process regarding transitional risks and opportunities is the operation of our Ridley Island Propane Export Terminal (RIPET). RIPET is located near Prince Rupert, British Columbia, and is the first propane export facility off the west coast of Canada. Operations at RIPET commenced during the second quarter of 2019. RIPET is the closest North American LPG terminal to Asia, allowing Western Canadian propane producers the opportunity to diversify their global market access by providing an alternative low carbon, clean-burning energy source. Compared to other fuels, propane's utilization helps to improve air quality, reduce greenhouse gas (GHG) emissions and protect the environment. An example of a physical risk that has been identified for our operations is the risk of increased significant weather events, and their potential impact on our assets. To mitigate the risk associated with natural disasters and catastrophic events, AltaGas engineers its facilities to accommodate for physical risks that are identified based on geography. In addition to these engineering controls, AltaGas adjusts or implements operating procedures to account for potential impacts, as well as maintains comprehensive insurance programs to cover losses from natural disasters and catastrophic events such as fires, earthquakes, explosions, floods, tornados, terrorist acts, and other similar occurrences.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	AltaGas' businesses are subject to extensive and complex laws and regulations in the jurisdictions in which they carry on business. Regulations and laws are subject to ongoing policy initiatives. Some of AltaGas' significant facilities are subject to current climate change regulations. The direct or indirect costs of compliance with these regulations may have a material adverse effect on AltaGas' business, financial condition, results of operations and prospects. AltaGas' business could also be indirectly impacted by laws and regulations that affect its customers or suppliers; to the extent such changes result in reductions in the use of natural gas by its customers or limit the operations of, or increase the costs faced by producers. To mitigate the risk around current climate change regulation, we forecast expected future carbon pricing in our Midstream business and incorporate that into strategic plans. AltaGas also focuses on emissions reductions, energy efficiency and technology deployment to aid risk mitigation. AltaGas is helping to reduce emissions globally at our Ridley Island Propane Export Terminal by shipping propane to Asia that displaces more carbon-intensive energy sources like coal. Examples of Current Regulation Considerations impacting AltaGas' Business: On March 22, 2019, the Clean Energy Act DC came into effect and is a bill aimed to transition the District of Columbia to run on 100% renewable electricity and to reduce carbon emissions by 50% by 2032. Under the new law, residents will be charged a fee for natural gas consumption. Also, the law encompasses standards for commercial building energy efficiency, electrification of public transportation vehicles, and establishes a fee for fuel as part of an initiative to reduce greenhouse gas emissions. AltaGas' largest utility subsidiary, Washington Gas Light, based in the District of Columbia, developed its DC Climate Change Business Plan which it filed with the DC Public Service Commission in March 2020. It is a long-term business plan that details how Washington Gas will maximize energy efficiency programs as well as leverage our existing, vast and reliable energy infrastructure system to deliver not only natural gas but also forward-looking fuel sources like biogas and 'green' hydrogen as part of a broader portfolio mix of energy supply and contribute to DC achieving its climate goals to cut greenhouse gas emissions (GHG) in half by 2032 and become carbon neutral by 2050
Emerging regulation	Relevant, always included	Changes in the regulatory environment and in public policy may be beyond AltaGas' control and may significantly affect AltaGas' businesses, results of operations and financial conditions. Some of AltaGas' significant facilities may be subject to future federal or state/provincial climate change regulations or both. The direct or indirect costs of compliance with these regulations may have a material adverse effect on AltaGas' business, financial condition, results of operations and prospects. AltaGas' business could also be indirectly impacted by laws and regulations that affect its customers or suppliers; to the extent such changes result in reductions in the use of natural gas by its customers or limit the operations of, or increase the costs faced by producers. AltaGas actively participates on industry groups and continuously monitors proposed changes to climate change policy and regulations in order to identify, quantify, and manage material risks. When risks are material, we comment on proposals independently, as well as through our industry associations. An example of emerging regulation considerations impacting AltaGas' Business: Midstream - Technology Innovation Emission Reduction (TIER) Regulation is a new regulation in the province of Alberta that will replace the Carbon Competitiveness Incentive Regulation on January 1, 2020. It will automatically apply to facilities that produce 100,000 tonnes or more of emissions per year. Gordondale and Harmattan are the two AltaGas facilities that will have the TIER regulation automatically applied. The transition to the TIER regulation will be the second large final emitter regulation change in Alberta in the last two years. Transitions to new regulatory requirements could have material impacts on AltaGas due to increased cost associated with increased reporting and or increase compliance cost associated with facility specific emission reduction targets. Utilities – Local and regional Climate Task Forces have organized to seek carbon neutrality within the District of Columbia where AltaGas' largest utility, Washington Gas Light, operates which could result in future legislation. AltaGas' is proactively communicating with stakeholders in these jurisdictions to respond to such carbon goals.
Technology	Relevant, always included	Technological improvements or innovations that support the transition to a lower-carbon economic system can affect AltaGas' customers or suppliers. Within our Utilities segment, we are somewhat agnostic to the absolute volume of natural gas that is being used in our network and are supportive of energy efficiency initiatives. The lower the volume of natural gas being used allows a great portion of monthly costs to be allocated to system upgrades that are focused on reliability and safety. Within our Midstream segment we mitigate this risk by opening up alternative export markets, such as Asia that benefit from access to lower carbon fuels, such as propane and butane. AltaGas has mitigated the risk of technological improvements or innovations that support the transition to a lower-carbon economy and recognized the opportunities and financial rewards of investing in cleaner technologies such as cogeneration, natural gas-fired power generation, and Carbon Capture and Storage projects in our Midstream business. Also, in our Utility businesses using draw down compressor to reduce and or eliminate gas venting during routine maintenance activities. Keeping more gas in the pipe and helping to reduce methane emissions. Continual operational and technological improvements across the AltaGas enterprise help mitigate strict emission requirements across its businesses. Our Utility businesses continue to reinforce and strengthen their infrastructure and advanced leak detection capabilities to minimize fugitive methane emissions.
Legal	Relevant, always included	In the course of its business, AltaGas is subject to lawsuits and other claims. Defence and settlement costs associated with such lawsuits and claims can be substantial, even with respect to lawsuits and claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any legal proceeding could have a material adverse effect on the financial position or operating results of AltaGas. AltaGas mitigates litigation risks through proactive management of lawsuits and other claims, continuous monitoring of defence and settlement cost of lawsuits and claims, maintain a strong in-house legal department, and uses expert third parties when needed.
Market	Relevant, always included	AltaGas is exposed to market risks resulting from fluctuations in commodity prices and interest rates, in both North American markets and, with respect to the LPG export business, offshore markets. In these markets, commodity supply and demand is affected by a number of factors including, without limitation, the amount of the commodity available to specific market areas either from the wellhead or from storage facilities, prevailing weather patterns, the U.S., Canadian and Asian economies, changes in energy consumption by consumers as a result of the availability of and incentive to invest in energy efficient technology, the occurrence of natural disasters and pipeline restrictions. In addition, the retail energy marketing business is exposed to pricing of certain ancillary services provided by the power pool in which it operates. The fluctuations in commodity prices are beyond AltaGas' control and, accordingly, could have a material adverse effect on AltaGas' business, financial condition and cash flow. AltaGas regularly engages in an active and rolling financial hedging programs designed to reduce the financial risk and volatility associated with varying commodity prices. In addition to our hedging program, we also strive to enter into long term contracts, strategically locate facility operations, and maintain diversification across AltaGas' businesses. This list is not exhaustive for this category. Additional risk factors and mitigation strategies are listed in the AltaGas Annual Information Form for the year ended 2019, which can be found on our website at: https://www.altagas.ca/invest/financials .
Reputation	Relevant, always included	AltaGas places great importance on establishing and maintaining positive relationships with its stakeholders, including, without limitation, within the communities in which AltaGas operates, regulators, and local Indigenous peoples. There is an increasing level of public concern and scrutiny relating to the perceived effect of natural resources activities, including, without limitation: exploration, development, production, processing, and transportation; on certain environmental and social aspects such as overall environmental performance, emissions, air and water quality, noise, dust, land, and ecological disturbance; and employment and economic development opportunities. Opposition to natural resources activities by communities, special interest groups (including non-governmental organizations), or Indigenous peoples may ultimately impact AltaGas, including its ability to obtain or maintain permits, the anticipated timing and costs associated with capital projects, its operations, shareholder confidence, and its reputation. Recent and proposed regulatory changes could increase the ability of special interest groups to object to and/or delay certain capital projects. Publicity adverse to AltaGas' operations, AltaGas' partners, or others operating in the energy industry generally, could have an adverse effect on AltaGas and its operations. Reputation is central to AltaGas' relationships in the communities that we operate and directly affects our ability to do business, both today and in the future. We mitigate this risk through proactive stakeholder relations and communication and by building strong working relationships with all of our stakeholders including Indigenous peoples, customers, producers and regulators.
Acute physical	Relevant, always included	Climate related physical risks to AltaGas' people, the environment and assets is an ever-present risk that is continually assessed. Typically, this exposure is associated with the frequency and severity of extreme weather events. AltaGas maintains specific emergency response plans developed and implemented to assist in managing risks and impacts from acute physical climate related risk. AltaGas' leadership and technical teams include these risk types into the planning of projects. The frequency of this risk assessment is dependent on each specific risk case. For example, AltaGas has operations that are located in areas that have historically been exposed to the risk of forest fire. Annually, our infrastructure is exposed to acute physical risk associated with Forest fire season. During this time, our monitoring of conditions is continuous to support our ability to react and respond to a potential impact on our operations. AltaGas' businesses are subject to the risks normally associated with the operation and development of natural gas, NGL, LPG and power systems and facilities, including, without limitation, mechanical failure, transportation problems, physical degradation, operator error, manufacturer defects, sabotage, terrorism, failure of supply, weather, wind or water resource deviation, catastrophic events and natural disasters, fires, floods, explosions, earthquakes and other similar events. Unplanned outages or prolonged downtime for maintenance and repair typically increase operation and maintenance expenses and reduce revenues. The occurrence or continuation of any of these events could increase AltaGas' costs and reduce its ability to process, store, transport, deliver or distribute natural gas, NGLs, and LPG, or generate and deliver power. AltaGas manages this risk by having a geographically diverse energy business with a focus on investing in, and operating infrastructure to provide, clean and affordable energy to our customers in North America. Having a well-diversified portfolio of assets across our core businesses reduces exposure to acute physical risks. AltaGas also maintains a comprehensive insurance program that covers losses from natural disasters and catastrophic events such as fires, earthquakes, explosions, floods, tornados, terrorist acts, and other similar occurrences. This program provides a risk transfer mechanism that facilitates timely recovery from losses and mitigates financial impact.
Chronic physical	Relevant, always included	The Utilities and natural gas distribution business is highly seasonal, with the majority of natural gas demand occurring during the winter heating season, the length of which varies in each jurisdiction in which AltaGas' Utilities operate. Natural gas distribution revenue during the winter typically accounts for the largest share of annual revenue in the Utilities business. There can be no assurance that the long-term historical weather patterns will remain unchanged. Annual and seasonal deviations from the long-term average can be significant. In Maryland and Virginia, Washington Gas has in place regulatory mechanisms and rate designs intended to stabilize the level of net revenues that it collects from customers by eliminating the effect of deviations in customer usage caused by variations in weather from normal levels and other factors such as conservation. The operations of AltaGas' retail energy-marketing business, are weather sensitive and seasonal, with a significant portion of revenues derived from the sale of natural gas to retail customers for space heating during the winter months, and from the sale of electricity to retail customers for cooling during the summer months. Weather conditions directly influence the volume of natural gas and electricity delivered to customers. Weather conditions can also affect the short-term pricing of energy supplies that the retail energy-marketing business may need to procure to meet the needs of its customers. AltaGas has mitigated this exposure in part through contracting arrangements with customers. Similarly, AltaGas' Midstream business is seasonal due to the tendency of storage and transportation spreads to increase during the winter. Deviations from normal weather conditions and the seasonal nature of these businesses can create large fluctuations in short-term cash requirements and earnings. AltaGas access to overseas export markets for its NGL products mitigates its exposure to North American seasonal demand.

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation	Carbon pricing mechanisms
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Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Carbon taxes, levies, and various carbon abatement programs are active across AltaGas' operating areas. Changes to federal, state, territory and provincial laws and regulations relating to climate change and emission reductions efforts are expected to increase in the near term, which could have a material impact on AltaGas' business. As of December 31, 2019 – approximately 90% of AltaGas' Scope 1 emissions are covered under a regulatory program, 86% are covered under emission regulatory reporting regulations, and approximately 80% of AltaGas' Scope 1 emissions are covered under emissions limiting regulations. In Canada, the federal carbon pollution pricing scheme is composed of two elements: • A carbon levy applied to fossil fuels; and • An output-based pricing system for industrial facilities that emit 50,000 tonnes or more of carbon dioxide equivalent emissions (CO2e) per year. As of December 31, 2019 - AltaGas had four gas processing facilities in Canada that exceeded the 50,000 tonnes threshold. Two facilities are in the province of Alberta and two in the province of British Columbia. Both Alberta assets are regulated under the Carbon Competitiveness Incentive Regulation (CCIR) in Alberta; and will continue to be regulated under the new Technology Innovation and Emission Reduction (TIER) regulation, which set to replace CCIR as of January 1, 2020. The BC assets are regulated under the Greenhouse Gas Industrial Reporting and Control Act. Each of the provincial emission regulatory programs have been granted equivalency by the federal government, meaning that the provincial regulations will take precedent over the federal carbon pricing mechanisms. In May of 2019, the Alberta government rescinded the provincial carbon tax, which resulted in the federal fuel charge system being implemented in the province on January 1, 2020, thus exposing assets in the province to additional carbon pricing. British Columbia has had a carbon tax in place since 2008, with a current price for carbon set at \$40 per tonne CO2e. 100 percent of AltaGas' assets in BC are covered by the provincial carbon tax system. The carbon tax price in the province is expected to increase by \$5 per tonne annually until the price reaches a cost of \$50 per tonne in either 2021 or 2022. A carbon price that is equal to that of the carbon ceiling price detailed in the federal governments carbon pricing system.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

10219537

Potential financial impact figure – maximum (currency)

12774421

Explanation of financial impact figure

Increased regulation and carbon pricing are expected to be the tactic that will be employed by governments to meet reduction commitments. Federal and provincial regulations in Canada continue to evolve with no assurances that the ceiling price for carbon won't continue to increase over time. Near term impact on AltaGas will be varied due to contract recovery mechanisms and passthrough but based on variable carbon pricing schemes across AltaGas' operating areas and current consumption of taxed fuels and calculated/verified emission output from operating with a price on carbon the impact could be as high as ~12.7M in our Midstream Division. To arrive at maximum and minimum financial impact AltaGas used current carbon tax pricing of \$40 per tonne of CO2e and for maximum financial impact the current ceiling price of \$50 per tonne was applied to verified scope 1 emissions from operating areas with a carbon price in Western Canada. These figures assume asset operations into the future with be the same as calendar year 2019.

Cost of response to risk

250000

Description of response and explanation of cost calculation

AltaGas continuously monitors proposed changes to environmental policy and regulations in order to identify, quantify, and manage material risks. Where risks are material, we comment on proposals independently, as well as through our industry associations. AltaGas is also focused on continuous improvement across our enterprise which can manifest as emission reduction or efficiency opportunities to reduce regulatory impact on our operations. There are no incremental costs associated with management of this risk; it is seen as an inherent part of management and is incorporated into operational budgets. The cost is estimated to be 250K, which is the expected time commitment of approximately 2 FTE (125,000*2 people). We anticipate this cost will increase over time. The estimated cost assumes an average FTE cost across the organization. These figures could vary significantly across AltaGas' business divisions and across operating jurisdictions.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation	Enhanced emissions-reporting obligations
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Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Reporting requirements associated with emissions policy is a business risk, considering the current policy direction in some of AltaGas' operating areas. AltaGas has operating assets in jurisdictions that have robust reporting obligations and, in most cases, have assets that are regulated at both the federal and provincial/state level. In Canada, AltaGas' Alberta based facilities fall under Large Final Emitter Regulations that apply to facilities that emit over 100,000 tonnes of CO₂e. In British Columbia, all AltaGas assets have a reporting obligation under the Greenhouse Gas Industrial Reporting and Control Act. In addition to these provincial requirements, AltaGas also has facilities that are regulated at the federal level in Canada, under the GHG Reporting program requiring any facility emitting over 10,000 tonnes of CO₂e per year to report GHG emissions. In the United States, the Federal EPA Greenhouse Gas Reporting Program (GHGRP) directs reporting requirements in both of AltaGas' Utility and Power Businesses. At the state level mandatory reporting requirements for our Power assets in California under the Cap and Trade program. Emission reporting obligations are an ongoing risk and are subject to change, either abruptly due to political elections or over time through regulatory/technological advancements. These changes can impact operational cost in the following way: • Increased cost associated with systems development to collect and maintain various data sources; • Increase time and efforts by internal employees and external contractors to understand changing requirements to ensure compliance; and • Potential increases in compliance cost associated with changes in reporting requirements.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

750000

Potential financial impact figure – maximum (currency)

1500000

Explanation of financial impact figure

Based on AltaGas' operating areas, the current regulatory reporting thresholds, and the current political uncertainty, AltaGas anticipates that the cost associated with emissions reporting will increase in the short term. The impact is anticipated to be a small increase in operational cost associated with the management, quantification and reporting of emissions to meet new reporting requirements. The costs above are built into AltaGas' annual operating budgets and are estimated at \$750,000 but could rise as high as \$1,500,000, if the trend for enhanced emission reporting continues in the near term. The potential financial impact was estimated based on current cost for outside consulting support and full time AltaGas employees that are dedicated to ensuring all obligations described above are being met. We estimate the time associated with current reporting obligations to be approximately 6 FTE (6*125000) across the entire organisation, but anticipate the support needed to meet future requirements could double. The estimated cost assumes an average FTE cost across the organization. These figures could significantly vary between business divisions and across operating jurisdictions.

Cost of response to risk

750000

Description of response and explanation of cost calculation

AltaGas monitors and participates in stakeholder groups relating to emissions reporting obligations. Management of this risk is built into AltaGas operational expenses. AltaGas mitigates this risk by identifying public policy issues to determine risks to the corporation and develops advocacy strategies to address these risks. AltaGas also maintains a strong compliance department that proactively engages regulatory and stakeholder groups to maintain strong working relationships. The direct cost of risk management cannot be quantified on a single risk basis. The cost to maintain a Compliance/Environmental department and the time specifically dedicated to emissions reporting is estimated at 750,000 across the entire AltaGas organization. AltaGas estimates 6 people across the organization are dedicated to this work (6*125000).

Comment**Identifier**

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Technology	Transitioning to lower emissions technology
------------	---

Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

AltaGas has operations located in several jurisdictions across Canada and the United States that are subject to various regional regulatory changes resulting in changes to equipment to reduce GHG emissions or specific criteria air contaminants (CAC's). These regulatory changes are often in different stages of implementation, which has led AltaGas to complete various engineering studies across its asset base, which has caused early deployment of technology in the construction of new facilities or proactive retrofits at existing assets resulting in direct reduction in corporate wide air emissions. Projects are being identified on an ongoing basis that will result in more efficient operations from the reduction of methane, CAC's, and Volatile Organic Compounds, etc. This risk relates specifically to the potential financial implications associated with engineering and equipment modifications that are/may be required to address specific air pollutants of concern for an operating area. These pollutants can vary depending on location. Several examples of regulatory changes that result in costs associated with the transition to lower emissions technology are present in AltaGas operating areas, a few specific to Canadian Operations are: Multi Sector Air Pollutant Release Inventory (MSAPR), implemented by the federal government that is requiring specific limitations to NOx and may lead to equipment retrofit or modification. Methane reduction requirements in Western Canada is driving Methane Reduction Retrofit Compliance Plans, requiring organizations to replace certain venting mechanisms over time to comply with specific vent rates. Our WGL and SEMCO utility operations have initiatives to modernize their systems with replacement pipes. Although pipeline replacement could be considered a risk to the Utility business AltaGas has included this as an opportunity in section 2.4a because these replacement programs target the replacement of aging infrastructure to improve our service offering to our customers, enhance reliability, lower emissions through the reduction of fugitive emission leaks, and drives down costs.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

2500000

Potential financial impact figure – maximum (currency)

5000000

Explanation of financial impact figure

The financial impact in Canada for operational modifications required to comply with the methane reduction regulations in Western Canada or Retrofit requirements associated with MSAPR are estimated to range from 2.5 to 5 MM. The financial impact is dependent on different modelling inputs, which include scenarios regarding technology types and timing of equipment retrofits. Based on AltaGas' operating areas, the current regulatory environment and political uncertainty, AltaGas anticipates that the cost associated with addressing emissions regulations could increase in the medium-term and impact capital spent under the various fugitive emissions and leak management programs across our infrastructure base.

Cost of response to risk

375000

Description of response and explanation of cost calculation

AltaGas proactively identified and allocates resources to complete the programs identified above on a planned basis, rather than employing reactive single replacement, retrofit or upgrade programs. Typically, these risks are monitored across AltaGas by various groups and are communicated to management regularly so that programs can be methodically planned and implemented effectively. The cost of management is expected to be minimal for the project planning and coordination of these types of work. The cost to maintain various functions across different departments and the time dedicated to this work is estimated to be 375,000 per year. Cost calculated as such 3 person*125000. The cost to respond to increased fugitive methane emissions monitoring program will be incorporated into operating budgets.

Comment

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation	Carbon pricing mechanisms
--------------------	---------------------------

Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

In the United States, AltaGas' Power Assets located in California are regulated under the State Cap and Trade program, which includes a mandatory reporting obligation. AltaGas has an annual true up requirement under this program, where regulated facilities are required to surrender and retire carbon allowances/credits equal to the emission output from those assets. Carbon allowances are acquired by AltaGas through various state-run carbon auctions, secondary carbon markets and or supplied by to us by our partners as defined by our Power Purchase Agreements. The emissions cap continues to decline annually in California, which in turn drives price increases for available carbon credits.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

35500000

Potential financial impact figure – maximum (currency)

40000000

Explanation of financial impact figure

The financial impact associated with the cap and trade program in California can be variable and is driven by the demand for power that is generated by our assets. The compliance cycle for the cap and trade system operates over a three-year period where a small percentage of compliance/carbon credit surrender is required for operating years 1 and 2 with most of the compliance/credit surrender coming due in the third year of the compliance cycle. For AltaGas power assets, we can see significant changes year over year in output but could see an impact as high as 40M based on higher demand for power production and escalating cost associated with the procurement of carbon allowance and carbon offsets. The minimal financial impact was calculated using historical emission reporting and average auction settlement pricing across a three year compliance period. From 2015-2017, emissions from Power assets regulated under the Cap and Trade program totalled 2,693,133 and the average auction settlement price per carbon credit over that three year period was \$13.18 USD. Cap and Trade auction floor pricing increases at a predictable rate, with an average increase of approximately 6% per year. Trending out anticipated power production, costs associated with the Cap and Trade system could increase as high as 40M. The financial impact estimate doesn't account for contract recovery mechanisms or passthrough costs. Financial figures assume similar operating conditions into the future for power assets and that the Cap and Trade program in California will continue to be supported by the State government into the future.

Cost of response to risk

375000

Description of response and explanation of cost calculation

AltaGas actively monitors the California Cap and Trade program to ensure the organization is apprised of any market changes, including external factors that could potentially impact compliance unit pricing. We hire expert third parties to complete quarterly emission reports which are used to forecast carbon liability at our power generating facilities and those forecasts are used to determine carbon credit procurement requirements. There are no incremental costs associated with management of this risk; it is seen as an inherent part of asset management and is incorporated into operational budgets. The cost to manage this program is estimated to be 375K, which is the expected time commitment of approximately 3 FTE (125,000*3). The estimated cost assumes an average FTE cost across the organization. These figures could significantly vary between business divisions and across operating jurisdictions.

Comment**Identifier**

Risk 5

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation	Mandates on and regulation of existing products and services
--------------------	--

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

AltaGas' subsidiary, Washington Gas, is a natural gas utility with operations in the District of Columbia, Maryland, and Virginia. The District of Columbia is committed through its Clean Energy DC Plan, to reducing greenhouse gas emissions 50% below 2006 levels by 2032 and 100% by 2050. Implementation of this plan could result in lower usage of natural gas by DC customers impacting our largest utility, Washington Gas' revenues.

Time horizon

Long-term

Likelihood

About as likely as not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

20000000

Potential financial impact figure – maximum (currency)

40000000

Explanation of financial impact figure

Annual impact to net revenues based on current customer composition and current year figures. While customer usage of natural gas could decrease in the medium term in response to DC's Clean Energy Plan, this impact would likely be normalized as part of the regulatory process. As well, in advance of 2050, Washington Gas has outlined a number of initiatives in its Climate Business Plan including the use of new fuel sources such as renewable natural gas and potentially hydrogen longer-term that will allow Washington Gas to continue to supply its customers while helping the District of Columbia meet its targets. Use of new fuel sources would likely offset financial impacts

from possible reduced natural gas usage.

Cost of response to risk
450000

Description of response and explanation of cost calculation

AltaGas with its subsidiary Washington Gas Light Company completed a comprehensive Climate Change Business plan designed to serve as a bold blueprint to achieve carbon neutrality in support of the DC Clean Energy Plan. The core tenets of the plan are to leverage our vast and reliable energy infrastructure to continue to deliver clean Natural Gas and forward-looking fuels like RNG. In conjunction with the Climate Business Plan, AltaGas committed \$450,000 to fund a study to assess the development of renewable gas in the greater Washington DC area. AltaGas has completed this study and it can be explored in more detail here: <https://washingtongasdcclimatebusinessplan.com/wp-content/uploads/2020/04/200316-WGL-RNG-Report-FINAL.pdf>

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues through access to new and emerging markets

Company-specific description

Ridley Island Propane Export Terminal (RIPET) is located near Prince Rupert, British Columbia, and is the first propane export facility off the west coast of Canada. The facility provides access to new global markets for producers, while also leveraging AltaGas' natural gas gathering, processing and fractionation assets in B.C. and Alberta. RIPET provides AltaGas opportunities to optimize and grow its footprint, enhance its service offering and connect producers to new markets, including Asia. RIPET provides Western Canadian propane producers the opportunity to diversify their global market access by providing an alternative low carbon, clean-burning energy source to Asian markets. Compared to other fuels, propane's utilization helps to improve air quality, reduce greenhouse gas (GHG) emissions.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

75000000

Potential financial impact figure – maximum (currency)

100000000

Explanation of financial impact figure

In 2019, we forecasted approximately \$75-\$80 million of EBITDA to be generated from the first 8 months of operation. In 2020, AltaGas expects EBITDA to increase to \$100 million per year.

Cost to realize opportunity

450000000

Strategy to realize opportunity and explanation of cost calculation

AltaGas' integrated strategy in Western Canada provides producers with services across the energy value chain, including access to export markets overseas. The cornerstone of this strategy is RIPET. RIPET leverages AltaGas' existing gathering, processing and fractionation assets, while also providing higher netbacks and market optionality to customers. Cost to realize opportunity is based on the overall cost estimate to complete construction of this project. Overall cost is estimated to be \$450 - \$500 million

Comment

AltaGas is a leading North American clean energy infrastructure company with strong growth opportunities and a focus on owning and operating assets to provide clean and affordable energy to its customers. The Corporation's long-term strategy is to grow in attractive areas across its Utility and Midstream business segments seeking optimal capital deployment. AltaGas expects its investment in RIPET to be 450-500M. Time Horizon is not defined in the CDP methodology, therefore AltaGas is classifying this

opportunity as short term because the facility is now in operation.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Move to more efficient buildings

Primary potential financial impact

Reduced direct costs

Company-specific description

AltaGas' utilities have developed programs that promote energy efficiency solutions for customers' homes and businesses. These programs include rebates for high efficiency natural gas equipment for a variety of applications, behavioral based programs and emerging natural gas programs and technologies. The programs further help maintain customer preference for natural gas while reducing greenhouse gas emissions, customer bills and maintaining reliability. Some of the programs also provide the utility with incentive rewards for achieved reductions.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

1700000

Potential financial impact figure – maximum (currency)

2800000

Explanation of financial impact figure

These programs have contributed a total of \$1.9 million in EBITDA over the last 5 years. Approximately \$10.4 million has been provided as incentive payments to utility customers since 2015, with a total investment of \$20.8 million into energy efficiency programs. It is also estimated that these programs have saved customers just under \$6 million in their energy costs over the same period. The potential financial impact figures identified above are estimates of 1.7M - 2.8 million in EBITDA over the next three years.

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

Promoting energy efficiency measures is one of the best (cleanest, least expensive) approaches to GHG emissions reductions. It avoids the need for new energy infrastructure, promotes conservation of our natural resources, lowers customer bills and creates jobs. Energy efficiency is 'by far' the largest source of jobs in the energy sector, including construction, production/manufacturing, installation, maintenance and repair. Efficiency programs are funded through a customer surcharge. There is no incremental cost

Comment

Efficiency programs are funded through a customer surcharge. There is no incremental cost

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Primary potential financial impact

Other, please specify (Improved Resilience)

Company-specific description

Our existing investment plan in our Utility businesses include significant expenditures over the next 5 years to upgrade, replace, and or install new pipelines across our distribution network within our service areas. These accelerated replacement programs target the replacement of aging infrastructure to improve our service offering to our customers, enhance reliability, lower emissions through the reduction of fugitive emission leaks, and drives down costs. AltaGas will be investing approximately 1.2 B on these programs with investments in the following jurisdictions: Washington Gas: • District of Columbia approximately 305 million over a five-year period from 2020 to 2024; • Maryland an investment of approximately 350 million over a five-year period from 2019 to 2023; • Virginia of approximately 500 million over the five year period from 2018 to 2020; SEMCO: • Accelerated main replacement program, with an estimated investment of 50 million from 2015 to 2020.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

96000000

Potential financial impact figure – maximum (currency)

120000000

Explanation of financial impact figure

The financial impact figure is estimated based on AltaGas' allowed rate of return on its investment as defined by its rate cases. Each rate case in each of our operating jurisdictions is different. To arrive at these estimates we used a blended rate of return of 8% on the minimum and 10% on the maximum for the total cost to realize this opportunity. Although we used 8% and 10% to develop potential financial impact these figures are estimates and may vary significantly from actual returns. Although the financial figure has been determined based on estimated rate of return, AltaGas/Washington Gas is expected to see a decrease in operating/maintenance cost associated with system management.

Cost to realize opportunity

1200000000

Strategy to realize opportunity and explanation of cost calculation

The strategy to improve and replace infrastructure is to take into consideration the age of the infrastructure, reliability, safety, and environmental benefits, associated with pipeline replacement. Cast iron and or bare steel pipe will be prioritized because replacement of these pipeline types will increase reliability, ensure safe operation, and keep more natural gas in our system, which in turn reduces fugitive methane emissions. AltaGas will be investing approximately 1.2 B on these programs with investments in the following jurisdictions: Washington Gas: • District of Columbia approximately 305 million over a five-year period from 2020 to 2024; • Maryland an investment of approximately 350 million over a five-year period from 2019 to 2023; • Virginia of approximately 500 million over the five year period from 2018 to 2020; SEMCO: • Accelerated main replacement program, with an estimated investment of 50 million from 2015 to 2020.

Comment

Identifier

Opp4

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Participation in carbon market

Primary potential financial impact

Returns on investment in low-emission technology

Company-specific description

AltaGas falls under regulatory regimes that incentivize investments in projects that reduce carbon emission. AltaGas has been, and continues to be, well positioned to develop a portfolio of offset projects that have provided a supply of emission offsets and emission performance credits (with revenue streams or otherwise net project savings), which are used to reduce AltaGas' annual greenhouse gas compliance cost. Should other jurisdictions advance with similar regulations, AltaGas would be well positioned to take advantage of those offset project opportunities.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

15000000

Potential financial impact figure – maximum (currency)

20000000

Explanation of financial impact figure

Greenhouse gas emission regulations provide AltaGas with the opportunity to generate emission offset credits and emission performance credits. AltaGas currently uses internally generated credits to minimize its greenhouse gas compliance costs and exposure. Over the life cycle of these emission reduction projects AltaGas has generated between 15-20 million dollars' worth of credits.

Cost to realize opportunity

10000000

Strategy to realize opportunity and explanation of cost calculation

We manage this opportunity by developing offset projects at facilities that we own and operate. Before construction of a new facility, or retrofitting an older facility, an efficiency review is conducted to best determine operational benefits from emission reduction projects.

Comment

Managing a portfolio of greenhouse gas assets and liabilities requires the time and effort of 3 FTEs (Full Time Equivalents) at a cost of ~\$375,000. Offset projects undertaken to date have cost in excess of ~ \$10MM

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

C3.1b

(C3.1b) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
Other, please specify (2050 Natural Gas Decarbonization)	AltaGas Ltd., with its subsidiary Washington Gas Light Company (Washington Gas), completed a climate business plan that is designed to reduce GHG emissions throughout the natural gas value chain – from end use to distribution and sourcing to support the District of Columbia's climate goals, of achieving a 50 percent reduction in GHG emissions by 2032 and carbon neutrality by 2050 when compared with GHG emissions in base year 2006 . The Climate Business Plan was informed by, and based on, the desire to develop a framework that will accommodate changes to market and policy realities in our operating regions, such as in the District of Columbia's climate goals, energy needs, economic growth, as well as technologies and innovations that are anticipated to be refined and/or developed over the next 30 years. Four different energy scenarios were modelled and evaluated all of which considered the requirement to have 100 percent of the District's electricity usage come from renewable generation by 2032. • Scenario 1, Business as Usual (BAU), is used as a reference case against which to compare all other scenarios. Based on the 100 percent renewable portfolio standard (RPS), GHG emission reductions in 2032 and 2050 are anticipated to be approximately 73 percent to 75 percent relative to 2006. • Scenario 2, Partial Decarbonization, uses BAU case as its foundation, with additional penetration of Electric Vehicles (EV s), increased energy efficiency and modest decarbonization of gas supply including introduction of RNG and certified gas. It has the potential to achieve additional GHG emissions reductions (82 percent) associated with those actions by 2050. • Scenario 3, Policy-Driven Electrification, uses the BAU case as its foundation, reaches net zero carbon emissions in the District in 2050 by requiring existing homes and businesses using natural gas to convert to electricity and banning natural gas for all new construction. It also reflects aggressive market penetration of electric vehicles. • Scenario 4, Fuel Neutral Decarbonization, uses the BAU case as its foundation, reaches net zero carbon emissions in the District in 2050 by including significant actions to decarbonize the natural gas supply through RNG, certified gas, and green hydrogen. This scenario leverages expected improvements in technologies, aggressive energy efficiency programming for residential and commercial buildings, as well as hybridized dual fuel approaches. The Fuel Neutral Decarbonization strategy may provide the desired GHG emission reductions at a fraction (59 percent) of the cost of full electrification, while maintaining energy reliability for residents, businesses, government agencies, and visitors. Collaborating with the District to implement the steps toward decarbonization gives AltaGas, through its subsidiary Washington Gas, the opportunity to continue to leverage its resilient, vast and established energy delivery and storage system to reduce emissions while providing affordable and reliable energy. The Climate Business Plan promotes customer energy efficiency and savings, builds and maintains a modern infrastructure for today and tomorrow, and introduces carbon-free fuels, such as renewable natural gas (RNG) and hydrogen. The results of the scenario analysis have informed AltaGas/Washington Gas' business objectives and strategy. By looking 30 years into the future, AltaGas/Washington Gas did their best to anticipate possible options on how Washington Gas could help support the District make its goals . While many factors are unknowable over that long timeframe, there are emerging, disruptive and breakthrough technologies that are showing tremendous promise and are expected to impact everything from sourcing (including renewable natural gas and hydrogen) to distribution, to how effectively we use energy in the future. To Read more visit: washingtongasdcclimatebusinessplan.com

C3.1d

(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Globally, the shift to a low-carbon economy continues to shape AltaGas' ESG and business strategy. With demand for clean energy increasing, natural gas and natural gas liquids (NGLs) like propane will continue to play a critical role in supporting this transition – a core tenet of our business model. Natural gas is abundant and serves as a cleaner, foundational fuel that is reliable, affordable and safe. Our business strategy focuses on maximizing the value of natural gas by extracting valuable NGLs and connecting these lower GHG-emitting fuels from the well sites of natural gas producers to the doorsteps of businesses and consumers around the world. We believe the energy solutions we are uniquely positioned to provide will continue to be valued by our stakeholders, and we are seeing evidence of this today. For example, the growing demand for energy in Asia and other global markets continues to be the driving force behind our Canadian Midstream business. Currently, Asian propane consumption accounts for approximately 50 percent of total global demand. In 2019, AltaGas capitalized on this opportunity and became the first company to export clean-burning liquefied petroleum gas (LPG) off the west coast of Canada to Asia. Our disruption of the Canadian midstream sector demonstrates our overall commitment to supporting the transition to a low-carbon global economy. Leveraging our first-mover advantage, we are distinctively positioned to meet this demand and help improve air quality by displacing more carbon-intense energy sources like coal. This unique export capability in turn drives growth across our integrated Midstream value chain and creates value for our company, our customers, as well as local communities and Indigenous partners. AltaGas can expect the time horizon of this opportunity to exist Longer term.
Supply chain and/or value chain	Yes	Fluctuations in weather could have a negative impact on the demand for AltaGas' services and supply chain. AltaGas' Utilities and natural gas distribution business is highly seasonal, warmer than normal weather can reduce demand for natural gas transmission and distribution services. At some of our Utilities revenues are normalized for any changes in customer consumption due to weather. On the supply side at our Utilities, we have long-term fixed price gas supply contracts in place to maintain affordable supply. Similarly, AltaGas' Midstream business is seasonal due to the tendency of storage and transportation spreads to increase during the winter. Deviations from normal weather conditions and the seasonal nature of these businesses can create large fluctuations in short-term cash requirements and earnings. We mitigate commodity risk through effective hedging programs and risk management systems. In addition to temperature fluctuations, extreme weather events such as fires, floods, winter storms, earthquakes and other natural disasters could result in injuries to personnel, damage to property and the environment, as well as unplanned outages or prolonged downtime for maintenance and repair. The occurrence or continuation of any of these events could increase AltaGas' costs and reduce its ability to process, store, transport, deliver, or distribute natural gas, NGLs, LPG, or generate and deliver power. Various strategies are used across the corporation to help mitigate the risk associated with temperature fluctuation and extreme weather events, some examples include but are not limited to: using 15 year rolling averages for weather data to anticipate gas distribution volumes, use of weather derivative instruments, and comprehensive insurance programs to alleviate business disruptions that could be caused by natural disasters. AltaGas can expect the time horizon of this risk to be medium-term.
Investment in R&D	Yes	Risks and Opportunities related to climate and clean energy commitments in AltaGas' operating jurisdictions are playing a critical role in determining the pace at which GHG emission reductions take place. As such, in 2019 AltaGas committed \$450,000 to fund a study to assess the development of renewable (bio) gas facilities in the Greater Washington, D.C. metropolitan area, to help drive down GHG emissions by 50 percent by 2032 and 100 percent by 2050 below 2006 levels. The study, published in 2020, assessed the potential environmental benefits of repurposing locally sourced waste streams into pipeline quality renewable gas, compressed natural gas and/or liquefied natural gas that can be used for carbon neutral vehicle fueling and onsite energy production. The study evaluated the economic viability, operating challenges, and offers recommendations relating to regulatory approaches that can facilitate the utilization of renewable sources to support the achievement of local, state, and regional climate and energy plans. The study found that the development of RNG resources, in Washington, D.C. metropolitan area can provide significant environmental and economic benefits to the region and can help work towards a goal of 100 percent reduction by 2050. AltaGas through its subsidiary Washington Gas could utilize its existing distribution network to evaluate the ability to deliver new and emerging fuel sources, such as clean-certified gas, biogas, and hydrogen. AltaGas can expect the time horizon of this opportunity to Longer term.
Operations	Yes	Core to our business and developing ESG strategy is our unwavering commitment to operational excellence. At AltaGas, this means operating a safe and reliable system, delivering cost-effective solutions, minimizing our environmental footprint and providing an exceptional customer experience across our business. In our Utilities, this manifests itself in our accelerated pipeline replacement program where replacing aging infrastructure improves our service offering to customers, enhances reliability, lowers fugitive methane emissions and drives down costs. From 2010 to 2018, AltaGas' subsidiary Washington Gas invested approximately 720M in pipeline replacement programs in its operating areas. Washington Gas continues proactive accelerated pipeline replacement programs in all three of its operating jurisdictions. In the District of Columbia an investment of approximately 305 million is expected over a five year period from 2020 to 2024, in Maryland an investment of approximately 350 million over a five year period from 2019 to 2023, and an investment in Virginia of approximately 500 million over a five year period from 2018 to 2020. In Michigan, SEMCO is in the third phase of their accelerated main replacement program, with an estimated investment of 50 million from 2015 to 2020. To combat fugitive methane emissions generally released through the transport or processing of natural gas, our Midstream operations have implemented a Fugitive Emission Management Program. Through this program, we regularly use infrared and acoustic detection technologies to proactively identify potential sources of leaks in our Midstream operations. To further reduce methane emissions, we have a retrofit compliance plan under development that sets specific gas-vent limits and identifies equipment for replacement or upgrade. AltaGas can expect the time horizon of these risks and opportunity to Medium term.

C3.1e

(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital expenditures Capital allocation	The direct or indirect costs of compliance with Climate change regulations may have a material adverse effect on AltaGas' business, financial condition, results of operations, and prospects. AltaGas' business could also be indirectly impacted by laws and regulations that affect its customers or suppliers to the extent such changes result in reductions in the use of natural gas by its customers, limit the operations of, or increase the costs faced by producers. In addition, concerns about climate change have resulted in several environmental activists and members of the public opposing the continued exploitation, development, and transportation of fossil fuels. Given the evolving nature of the debate related to climate change and the control of greenhouse gas emissions and resulting requirements, each of these risk factors can have a negative impact on revenues. Conversely, implementation of AltaGas' strategic pipeline replacement programs over the next six years (starting in 2019) provides an opportunity to improve our service offering to our customers, enhances reliability, lower fugitive methane emissions and drive down cost, which may allow for increased revenues across our Utility Division. In 2017 our Midstream division started construction on our Ridley Island Propane Export Terminal (RIPET) to help achieve our business strategy of maximizing the value of natural gas by extracting valuable NGLs and connecting these lower GHG-emitting fuels from the well sites of natural gas producers to the doorsteps of businesses and consumers around the world. RIPET provides access to new global markets for gas producers, and drives growth across our integrated Midstream value chain creating value, not only for AltaGas, but for our customers, local communities and indigenous partners. The first shipment of propane departed from this facility in May of 2019. RIPET helps to meet the growing demand for energy in Asia and other global markets through the expansion of low emissions goods and services and better AltaGas' competitive position to reflect shifting consumer preferences. AltaGas expects to increase throughput from RIPET as it builds on the operational capabilities and global counterparty networks. In preparation for this, in November 2019, AltaGas filed an application to increase RIPET's propane export license from 40,000 Bbls/d to 80,000 Bbls/d. These climate risks and opportunities are expected to have impacts on the longer-term, as the world transitions to a low carbon economy.

C3.1f

(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

No additional comments on Climate Related Risks and Opportunities.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Intensity target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Year target was set

2017

Target coverage

Business division

Scope(s) (or Scope 3 category)

Scope 1

Intensity metric

Other, please specify (carbon intensity per delivered therm of natural gas)

Base year

2008

Intensity figure in base year (metric tons CO₂e per unit of activity)

178.19

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure

80

Target year

2025

Targeted reduction from base year (%)

38

Intensity figure in target year (metric tons CO₂e per unit of activity) [auto-calculated]

110.4778

% change anticipated in absolute Scope 1+2 emissions

19

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year (metric tons CO₂e per unit of activity)

144.28

% of target achieved [auto-calculated]

50.079601607982

Target status in reporting year

Underway

Is this a science-based target?

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science Based Targets initiative

Please explain (including target coverage)

This target applies to the entire Washington Gas Utilities business.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2018

Target coverage

Site/facility

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Other, please specify	Other, please specify (Scope 1)
-----------------------	---------------------------------

Target denominator (intensity targets only)

<Not Applicable>

Base year

2019

Figure or percentage in base year

415476

Target year

2019

Figure or percentage in target year

410074.81

Figure or percentage in reporting year

410074.81

% of target achieved [auto-calculated]

100

Target status in reporting year

Achieved

Is this target part of an emissions target?

No this is not part of an emission reduction target identified above

Is this target part of an overarching initiative?

Other, please specify (Facility Specific Target)

Please explain (including target coverage)

AltaGas was 5320 tonnes of CO₂e below its target and applied to receive 5320 Carbon Emission performance credits from the government of Alberta. These emission credits can be used by AltaGas to offset future compliance obligations or can be sold to other program participants that did not achieve their emissions reduction target

C-OG4.2c

(C-OG4.2c) Indicate which targets reported in C4.1a/b incorporate methane emissions, or if you do not have a methane-specific emissions reduction target for your oil and gas activities, please explain why not and forecast how your methane emissions will change over the next five years.

All AltaGas targets mentioned above are for total GHG's, including methane. AltaGas has developed a methane reduction retrofit compliance plan and an aggressive fugitive emissions management plan in its midstream division. Both plans focus on equipment that requires replacement or retrofit in order to achieve equipment specific vent gas limits and proactive fugitive emission management, including increased leak surveys and tight timelines to repair identified leaks. The target reported in 4.1b is focused on fugitive emission losses (methane) across the Washington Gas distribution system.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	1	53508
To be implemented*	1	11500
Implementation commenced*	1	6710
Implemented*	2	10070
Not to be implemented		

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in production processes	Process optimization
---	----------------------

Estimated annual CO2e savings (metric tonnes CO2e)

5320

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

160000

Investment required (unit currency – as specified in C0.4)

250000

Payback period

<1 year

Estimated lifetime of the initiative

>30 years

Comment

Continuous process improvements at the Harmattan Gas Plant such as retiring gas fired compression, shutting down the CO2 plant and bringing on Electric drive compressors, assisted the plant in meeting its established target. Cost to improve plant process is estimated at 250k in 2019, which represents general operating expenses incurred to operate the plant efficiently.

Initiative category & Initiative type

Other, please specify	Other, please specify (Fuel use avoidance and flare/venting reduction)
-----------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

4750

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

190000

Investment required (unit currency – as specified in C0.4)

500000

Payback period

1-3 years

Estimated lifetime of the initiative

>30 years

Comment

AltaGas' RIPET facility was designed to use Ethane as a fuel source in its internal combustion engines. Ethane is removed from the propane production stream to meet export specifications. This design improvement allows for the facility to decrease its use of fuel gas and eliminates ethane venting/flaring that would have occurred if this design improvement was not implemented.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	Compliance is the foundation of how we do business. In addition to complying with laws and regulations, AltaGas has a set of core values that applies to all areas of our organization. AltaGas tries to meet and exceed emission reduction activities that are required by regulators.
Internal finance mechanisms	At AltaGas we are always looking at opportunities to improve long term stakeholder value, while effectively managing risk. Carbon prices employed by internal finance mechanisms can signal considerations for emissions reduction activities.
Financial optimization calculations	AltaGas' objective is to generate superior economic returns by investing in low-risk energy assets.
Employee engagement	All employees are welcome to identify GHG reduction efforts.
Internal incentives/recognition programs	AltaGas short term incentive programs include the achievement of objectives relating to corporate social responsibility and compliance.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Group of products

Description of product/Group of products

Hydrocarbon based products (NG, NGLs, LPG's, Pentane, etc.)

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (Low Carbon products that help to reduce emissions globally)

% revenue from low carbon product(s) in the reporting year

75

% of total portfolio value

<Not Applicable>

Asset classes/ product types

<Not Applicable>

Comment

AltaGas' wide array of hydrocarbon-based products provide the opportunity for third-party users to choose less carbon-intensive products which can directly lower GHG emissions.

C-EU4.6

(C-EU4.6) Describe your organization's efforts to reduce methane emissions from your activities.

This question is not scored for AltaGas' disclosure

C-OG4.6

(C-OG4.6) Describe your organization's efforts to reduce methane emissions from your activities.

AltaGas is targeting vent gas and fugitive emissions to reduce methane emissions. AltaGas is working to inventory all of equipment that would routinely vent to identify project opportunities for replacement or upgrade for existing high bleed devices with no or low bleed alternatives. Currently, AltaGas' Midstream division tests compressor seals that emit vent gas annually to ensure seal integrity and to reduce vent gas leakage. Our Midstream Division completes systematic leak detection and repair of fugitive emission leaks across its operations. Regular screening of sites reduces fugitive emissions and helps to reduce methane emissions associated with unintentional leaks. In our Utilities, our accelerated pipeline replacement programs replace aging infrastructure, improving our service offering to customers, enhancing reliability, lowers emissions and driving down costs.

C-OG4.7

(C-OG4.7) Does your organization conduct leak detection and repair (LDAR) or use other methods to find and fix fugitive methane emissions from oil and gas production activities?

Yes

C-OG4.7a

(C-OG4.7a) Describe the protocol through which methane leak detection and repair or other leak detection methods, are conducted for oil and gas production activities, including predominant frequency of inspections, estimates of assets covered, and methodologies employed.

AltaGas completes fugitive emissions surveying, using infrared fugitive emission detection and or acoustic leak detection devices when necessary. AltaGas' Fugitive Emission Management Program identifies potential sources of fugitive emissions in the methane value chain, accurately quantifies emissions/leak rates, completes cost/benefit analysis per leak source and tracks repairs using corrective action tracking. AltaGas' Leak Detection and Repair Program procedure was developed to:

- Ensure all applicable components are being tested, reported and tracked on an annual basis;
- Track all repairs using a "Repair Tracking Form" provided in the LDAR Report, and;
- Confirm all regulations and best management practices are being followed.

Leak Detection is executed across AltaGas' operations at least annually, and in some cases three times per year. A decision tree is used to determine how leaking components are addressed. Annually 100% of the assets in the Midstream Division are covered under this program.

AltaGas' Fugitive Emissions Management Program was developed to meet or exceed jurisdictional requirements.

C-OG4.8

(C-OG4.8) If flaring is relevant to your oil and gas production activities, describe your organization's efforts to reduce flaring, including any flaring reduction targets.

AltaGas follows regulatory targets of 0.5% of throughput at each individual facility. In addition to applicable regulatory targets AltaGas also reviews findings associated with Emission Quantification/Verification to evaluate performance and implement operational improvements where appropriate.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1 2015

Base year end

December 31 2015

Base year emissions (metric tons CO2e)

2068140

Comment

AltaGas' business has changed significantly since it compiled its first companywide GHG emissions inventory in 2008. To reflect these changes, we are resetting our base year to 2015.

Scope 2 (location-based)

Base year start

January 1 2015

Base year end

December 31 2015

Base year emissions (metric tons CO2e)

359121

Comment

AltaGas' business has changed significantly since it compiled its first companywide GHG emissions inventory in 2008. To reflect these changes, we are resetting our base year to 2015.

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

American Petroleum Institute Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Natural Gas Industry, 2009

Canadian Association of Petroleum Producers, Calculating Greenhouse Gas Emissions, 2003

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

US EPA Mandatory Greenhouse Gas Reporting Rule

Other, please specify

C5.2a

(C5.2a) Provide details of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Alberta Carbon Competitiveness Incentive Regulation; Western Climate Initiative: Quantification Method 2013 Addendum to Canadian Harmonization Version; California Mandatory Greenhouse Gas Reporting Regulation.

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

1861564

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO₂e?

Reporting year

Scope 2, location-based

133532

Scope 2, market-based (if applicable)

<Not Applicable>

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

AltaGas' strategy for greenhouse gas management is to continuously reduce GHG emissions from our operating facilities. Measurement and monitoring that are under our operational control are the focus so we can apply new technology and find energy efficiency improvements.

Capital goods

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Tracking these emissions is not material to our GHG management efforts. Scope 3 emissions from major capital goods on an annual basis are not a meaningful metric for our business.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Our 50% interest in the Power Purchase Agreement for the Sundance Units 3 and 4 was terminated in 2016. Therefore, this emission source is no longer relevant to AltaGas.

Upstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Management of our Scope 1 emissions plays a large role in the management of Scope 3 emissions for users further down the value chain. Scope 3 GHG emissions associated with upstream transportation and distribution of AltaGas' energy resources are not material.

Waste generated in operations

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

AltaGas is required to track all waste generated in operations. The waste generation information has been reviewed and the emissions associated with waste generation are not material to our GHG management efforts.

Business travel

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

AltaGas has historically reported in error its fleet vehicle emissions as business travel. The emissions associated with our fleet come from a third-party company that manages our fleet information. The associated emissions from our fleet have been included in Scope 1 emissions summary. Business travel emissions are not material for our organization and even more so in 2020 as business travel has been suspended due to the COVID-19 Global pandemic.

Employee commuting

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Tracking these emissions is not material to our GHG management efforts. Although not material to our GHG management efforts, AltaGas continues to assess opportunities for the future of work including opportunities to work from home, to improve efficiency at dispatch processes for field workers and to help reduce associated GHG and Air emissions.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Tracking these emissions is not material to our GHG management efforts.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Emissions associated with transportation and distribution are captured in our scope 1 emissions.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

The emissions associated with the processing of sold products are reported under our Scope 1 emissions.

Use of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

14125736

Emissions calculation methodology

EPA Mandatory Greenhouse Gas Reporting Subpart NN reporting rules for US based Utilities.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Emissions are calculated based on the quantity of gas sold to residential and business customers (energy units) by our Utility Businesses (fully owned subsidiaries of AltaGas).

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Our products are generally consumed by downstream users. Therefore, typically there is no product to be considered at the "end of life."

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We do not lease downstream assets.

Franchises

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We do not have franchises.

Investments

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Tracking of these emissions is not material to our GHG management efforts.

Other (upstream)

Evaluation status

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Other (downstream)

Evaluation status

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.00036

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

1995096

Metric denominator

unit total revenue

Metric denominator: Unit total

5495000000

Scope 2 figure used

Location-based

% change from previous year

34

Direction of change

Decreased

Reason for change

The percent change in the emission intensity figure is primarily due to a decrease in the gross S1 and S2 emissions from 2018 to 2019 and the revenue increase from 2018 to 2019. The addition of WGL Scope 1 data was offset by the divestment of assets and effective fugitive emission management programs in the Midstream Division and reduced output from the power generating assets in California.

C-OG6.12

(C-OG6.12) Provide the intensity figures for Scope 1 emissions (metric tons CO2e) per unit of hydrocarbon category.

C-OG6.13

(C-OG6.13) Report your methane emissions as percentages of natural gas and hydrocarbon production or throughput.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	1403327	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	438416	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	19821	IPCC Fourth Assessment Report (AR4 - 100 year)
SF6	0	IPCC Fourth Assessment Report (AR4 - 100 year)

C-EU7.1b

(C-EU7.1b) Break down your total gross global Scope 1 emissions from electric utilities value chain activities by greenhouse gas type.

	Gross Scope 1 CO2 emissions (metric tons CO2)	Gross Scope 1 methane emissions (metric tons CH4)	Gross Scope 1 SF6 emissions (metric tons SF6)	Total gross Scope 1 emissions (metric tons CO2e)	Comment
Fugitives					Not scored
Combustion (Electric utilities)					Not scored
Combustion (Gas utilities)					Not scored
Combustion (Other)					Not scored
Emissions not elsewhere classified					Not scored

C-OG7.1b

(C-OG7.1b) Break down your total gross global Scope 1 emissions from oil and gas value chain production activities by greenhouse gas type.

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Canada	857216
United States of America	1004347

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
AltaGas - Midstream Division	857216
AltaGas - Power Division	615002
AltaGas - Utilities	389345

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Net Scope 1 emissions , metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Electric utility activities		<Not Applicable>	Not Scored
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)		<Not Applicable>	Not Scored
Oil and gas production activities (midstream)		<Not Applicable>	Not Scored
Oil and gas production activities (downstream)		<Not Applicable>	Not Scored
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Canada 159,009 MWh purchased and consumed from BC Hydro. Emissions are calculated using location based emission factors.	125264		454199	159005
United States of America WGL purchased Renewable Energy Certificates (RECs) from Schneider Electric to cover full amount of purchased electricity (11,341 MWh) Approximately 10% of AltaGas' total energy consumption (excluding feedstock) comes from the grid.	8268		22262	11341

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
AltaGas - Midstream Division	125264	
AltaGas - Power Division	1269	
AltaGas - Utilities	6999	

C-CE7.7IC-CH7.7IC-CO7.7IC-MM7.7IC-OG7.7IC-ST7.7IC-TO7.7IC-TS7.7

(C-CE7.7IC-CH7.7IC-CO7.7IC-MM7.7IC-OG7.7IC-ST7.7IC-TO7.7IC-TS7.7) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO2e.

	Scope 2, location-based, metric tons CO2e	Scope 2, market-based (if applicable), metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)			Not Scored
Oil and gas production activities (midstream)			Not Scored
Oil and gas production activities (downstream)			Not Scored
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	5542.35	Decreased	0.2	In 2019, AltaGas purchased and consumed slightly more energy in the province of British Columbia due to increased activity in our Midstream division. AltaGas through its subsidiary Washington Gas acquired and subsequently retired Renewable Energy Credits to offset grid power consumption. AltaGas' renewable energy consumption increased so our scope 2 emissions were decreased by 5542.35 metric tons CO2e as a result of the activities outlined above. Renewable energy consumption was 917.66 in 2018 and S1 and S2 Emissions in 2018 was 2361713. Therefore, this is calculated as such $5542.35/2361713*100=0.2\%$
Other emissions reduction activities	10070	Decreased	0.4	In 2019, AltaGas applied for 5320 Emission performance credits as a result of efficient operations of AltaGas' large final emitter facilities in Alberta. Also, as a result of facility design improvements at one of our facilities in BC AltaGas reduced emissions by 4750 tons of CO2e per year. Combined S1 and S2 emissions from the previous year were 2361713 tCO2e. Therefore, $10070/2361713*100=0.4$.
Divestment	147969	Decreased	6	Asset divestment in our Midstream Division in 2019 resulted in a decrease of 6% in our gross global S1 and S2 emissions. The divestment accounted for 147969 tCO2e. Therefore, $147969/2361713*100=6$
Acquisitions	331000	Increased	14	Asset acquisition in our Utilities Division, resulted in an increase of 14% in our gross global S1 and S2 emissions. The acquisition accounted for 331000 tCO2e. Therefore, $331000/2361713*100=14$
Mergers		<Not Applicable >		
Change in output	549649	Decreased	23	Across all AltaGas business units there were relative changes in output. The changes can mostly be attributed to decreased output from AltaGas' power division, a decrease in scope 2 emission in our Midstream division and active methane programs across the AltaGas platform. Combined S1 and S2 emissions from the previous year were 2361713 tCO2e. Therefore, $549649/2361713*100=23$
Change in methodology		<Not Applicable >		
Change in boundary		<Not Applicable >		
Change in physical operating conditions		<Not Applicable >		
Unidentified		<Not Applicable >		
Other		<Not Applicable >		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 5% but less than or equal to 10%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	4312388	4312388
Consumption of purchased or acquired electricity	<Not Applicable>	170346	306115	476461
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	0	<Not Applicable>	0
Total energy consumption	<Not Applicable>	170346	4618503	4788849

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Natural Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

4265143

MWh fuel consumed for self-generation of electricity

3342963

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

922180

Emission factor

0.00189

Unit

metric tons CO2e per m3

Emissions factor source

Canada National Inventory Report

Comment

Fuels (excluding feedstocks)

Diesel

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

10478

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.0026

Unit

metric tons CO2e per liter

Emissions factor source

Canada National Inventory Report

Comment**Fuels (excluding feedstocks)**

Motor Gasoline

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

36768

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.0023

Unit

metric tons CO2e per liter

Emissions factor source

Canada National Inventory Report

Comment**C8.2d****(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.**

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	2409000	146956	616000	0
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C-EU8.2d**(C-EU8.2d) For your electric utility activities, provide a breakdown of your total power plant capacity, generation, and related emissions during the reporting year by source.****Coal – hard****Nameplate capacity (MW)****Gross electricity generation (GWh)****Net electricity generation (GWh)****Absolute scope 1 emissions (metric tons CO2e)****Scope 1 emissions intensity (metric tons CO2e per GWh)****Comment**

Not scored.

Lignite

Nameplate capacity (MW)

Gross electricity generation (GWh)

Net electricity generation (GWh)

Absolute scope 1 emissions (metric tons CO2e)

Scope 1 emissions intensity (metric tons CO2e per GWh)

Comment

Not scored.

Oil

Nameplate capacity (MW)

Gross electricity generation (GWh)

Net electricity generation (GWh)

Absolute scope 1 emissions (metric tons CO2e)

Scope 1 emissions intensity (metric tons CO2e per GWh)

Comment

Not scored.

Gas

Nameplate capacity (MW)

Gross electricity generation (GWh)

Net electricity generation (GWh)

Absolute scope 1 emissions (metric tons CO2e)

Scope 1 emissions intensity (metric tons CO2e per GWh)

Comment

Not scored.

Biomass

Nameplate capacity (MW)

Gross electricity generation (GWh)

Net electricity generation (GWh)

Absolute scope 1 emissions (metric tons CO2e)

Scope 1 emissions intensity (metric tons CO2e per GWh)

Comment

Not scored.

Waste (non-biomass)

Nameplate capacity (MW)

Gross electricity generation (GWh)

Net electricity generation (GWh)

Absolute scope 1 emissions (metric tons CO2e)

Scope 1 emissions intensity (metric tons CO2e per GWh)

Comment

Not scored.

Nuclear

Nameplate capacity (MW)

Gross electricity generation (GWh)

Net electricity generation (GWh)

Absolute scope 1 emissions (metric tons CO2e)

Scope 1 emissions intensity (metric tons CO2e per GWh)

Comment

Not scored.

Fossil-fuel plants fitted with CCS

Nameplate capacity (MW)

Gross electricity generation (GWh)

Net electricity generation (GWh)

Absolute scope 1 emissions (metric tons CO2e)

Scope 1 emissions intensity (metric tons CO2e per GWh)

Comment

Not scored.

Geothermal

Nameplate capacity (MW)

Gross electricity generation (GWh)

Net electricity generation (GWh)

Absolute scope 1 emissions (metric tons CO2e)

Scope 1 emissions intensity (metric tons CO2e per GWh)

Comment

Not scored.

Hydropower

Nameplate capacity (MW)

Gross electricity generation (GWh)

Net electricity generation (GWh)

Absolute scope 1 emissions (metric tons CO2e)

Scope 1 emissions intensity (metric tons CO2e per GWh)

Comment

Not scored.

Wind

Nameplate capacity (MW)

Gross electricity generation (GWh)

Net electricity generation (GWh)

Absolute scope 1 emissions (metric tons CO2e)

Scope 1 emissions intensity (metric tons CO2e per GWh)

Comment

Not scored.

Solar

Nameplate capacity (MW)

Gross electricity generation (GWh)

Net electricity generation (GWh)

Absolute scope 1 emissions (metric tons CO2e)

Scope 1 emissions intensity (metric tons CO2e per GWh)

Comment

Not scored.

Marine

Nameplate capacity (MW)

Gross electricity generation (GWh)

Net electricity generation (GWh)

Absolute scope 1 emissions (metric tons CO2e)

Scope 1 emissions intensity (metric tons CO2e per GWh)

Comment

Not scored.

Other renewable

Nameplate capacity (MW)

Gross electricity generation (GWh)

Net electricity generation (GWh)

Absolute scope 1 emissions (metric tons CO2e)

Scope 1 emissions intensity (metric tons CO2e per GWh)

Comment

Not scored.

Other non-renewable

Nameplate capacity (MW)

Gross electricity generation (GWh)

Net electricity generation (GWh)

Absolute scope 1 emissions (metric tons CO2e)

Scope 1 emissions intensity (metric tons CO2e per GWh)

Comment

Not scored.

Total

Nameplate capacity (MW)

Gross electricity generation (GWh)

Net electricity generation (GWh)

Absolute scope 1 emissions (metric tons CO2e)

Scope 1 emissions intensity (metric tons CO2e per GWh)

Comment

Not scored.

C-EU8.4

(C-EU8.4) Does your electric utility organization have a transmission and distribution business?

No

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C-EU9.5a

(C-EU9.5a) Break down, by source, your total planned CAPEX in your current CAPEX plan for power generation.

Primary power generation source	CAPEX planned for power generation from this source	Percentage of total CAPEX planned for power generation	End year of CAPEX plan	Comment
---------------------------------	---	--	------------------------	---------

C-EU9.5b

(C-EU9.5b) Break down your total planned CAPEX in your current CAPEX plan for products and services (e.g. smart grids, digitalization, etc.).

Products and services	Description of product/service	CAPEX planned for product/service	Percentage of total CAPEX planned products and services	End of year CAPEX plan
-----------------------	--------------------------------	-----------------------------------	---	------------------------

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Please select	Not Scored

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	No third-party verification or assurance

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

11213720-LTR-McKellar-1-RIPET Interim Limited Assurance Opinion.pdf

Page/ section reference

Pages 1 thru 2. This interim review was conducted to a limited level of assurance, as the verifier was unable to complete a site visit of the Facility (due to the COVID-19 pandemic) by the required opinion date. Subsequent to this interim opinion, the verifier will complete the full verification of the GHG Emissions Report as per the requirements of the GGERR to a reasonable level of assurance when travel is permitted.

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

2

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

BC LFO Verification Statement.pdf

Page/ section reference

Pages 1 thru 8

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

12

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

Gordondale Verification Statement.pdf

Page/ section reference

Pages 1 thru 2

Relevant standard

Alberta Carbon Competitiveness Incentive Regulation (CCIR)

Proportion of reported emissions verified (%)

6

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

Harmattan Verification statement.pdf

Page/ section reference

Pages 1 thru 2

Relevant standard

Alberta Carbon Competitiveness Incentive Regulation (CCIR)

Proportion of reported emissions verified (%)

22

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

Verification+statement_Blythe+energy+2020-06-27+exec.pdf

Page/ section reference

Pages1 thru 2

Relevant standard

California Mandatory GHG Reporting Regulations (CARB)

Proportion of reported emissions verified (%)

33

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

WGL- CDP Verification Statement Limited RY2019.pdf

Page/ section reference

Pages 1 thru 2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

18

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

WGL- CDP Verification Statement Limited RY2019.pdf

Page/ section reference

Pages 1 thru 2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

3

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

Alberta Carbon Competitive Incentive Regulation (CCIR) – ETS

BC carbon tax

California CaT - ETS

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

Alberta Carbon Competitive Incentive Regulation (CCIR) – ETS

% of Scope 1 emissions covered by the ETS

28

% of Scope 2 emissions covered by the ETS

0

Period start date

January 1 2019

Period end date

December 31 2019

Allowances allocated

0

Allowances purchased

410

Verified Scope 1 emissions in metric tons CO₂e

526372

Verified Scope 2 emissions in metric tons CO₂e

0

Details of ownership

Facilities we own and operate

Comment

California CaT

% of Scope 1 emissions covered by the ETS

33

% of Scope 2 emissions covered by the ETS

0

Period start date

January 1 2019

Period end date

December 31 2019

Allowances allocated

0

Allowances purchased

17000

Verified Scope 1 emissions in metric tons CO₂e

612038

Verified Scope 2 emissions in metric tons CO₂e

0

Details of ownership

Facilities we own and operate

Comment

C11.1c

(C11.1c) Complete the following table for each of the tax systems you are regulated by.

BC carbon tax

Period start date

January 1 2019

Period end date

December 31 2019

% of total Scope 1 emissions covered by tax

14

Total cost of tax paid

8083651

Comment

The total cost paid does not account for cost recovery mechanisms that AltaGas may have in place at its facilities.

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

AltaGas applies a multi-pronged strategy for complying with the schemes in which we participate. First, AltaGas has made significant investments in energy efficiency and sequestration projects (in Alberta) which generated a long-term supply of emission offset credits and emission performance credits, which we use to offset a portion of our greenhouse gas compliance costs. Second, the commercial agreements we put in place to purchase third party generated emission offsets or emission performance credits include language that requires the seller to either compensate or replace any offset(s) and/or credit(s) that are revoked by the Regulator. Third, we include language in our commercial agreements requiring third parties to deliver their emission offsets or emission performance credits just a few weeks prior to the actual GHG compliance deadline in order to reduce our inventory carrying costs. Fourth, all activities associated with emissions trading and compliance, are managed internally, rather than through third parties.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase

Credit purchase

Project type

Forests

Project identification

ARB Project ID# CAFR5315-A

Verified to which standard

ACR (American Carbon Registry)

Number of credits (metric tonnes CO2e)

30000

Number of credits (metric tonnes CO2e): Risk adjusted volume

30000

Credits cancelled

Not relevant

Purpose, e.g. compliance

Compliance

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price

- Navigate GHG regulations
- Stakeholder expectations
- Drive energy efficiency
- Drive low-carbon investment
- Identify and seize low-carbon opportunities

GHG Scope

- Scope 1
- Scope 2
- Scope 3

Application

AltaGas uses internal prices on carbon that pertain to various aspects of our business and includes Scope 1, Scope 2, and Scope 3 emissions. AltaGas employs internal prices of carbon in our budgeting and forecasting in each of the regulatory jurisdictions where we own and/or operate assets. Carbon tax costs to our business are included in project budgets and forecasts.

Actual price(s) used (Currency /metric ton)

50

Variance of price(s) used

Different carbon prices are used over time and across geographies. When carbon prices are uncertain, we will employ scenarios that consider varying carbon prices that range from current price up to future prices of \$50 per tonne.

Type of internal carbon price

- Shadow price
- Internal trading

Impact & implication

AltaGas uses internal prices on carbon that pertain to various aspects of our business and includes Scope 1, Scope 2, and Scope 3 emissions. AltaGas employs internal prices of carbon in our budgeting and forecasting in each of the regulatory jurisdictions where we own and/or operate assets. Carbon tax costs to our business are included in affected project budgets and forecasts. The carbon prices that reflect credits towards our financial exposure to greenhouse gas compliance costs (e.g., offsets) are accounted for and retained following best practice. Different carbon prices are used over time and across geographies. When carbon prices are uncertain, we will employ scenarios that consider varying carbon prices. Scenarios have included British Columbia's increasing carbon tax and Alberta's increasing carbon prices, and the Pan-Canadian carbon pricing scheme (rising to \$50 in 2022). AltaGas' carbon credit pricing in the offset and the California Cap and Trade markets are subject to confidentiality. Our Commercial teams, in consultation with our Environmental and Regulatory staff, determine the carbon price on a project by project basis. Carbon compliance pricing is internalized (i.e., it is a budget line item) in the economics of the investment decisions that AltaGas makes.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

- Yes, our customers
- Yes, other partners in the value chain

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Education/information sharing

Details of engagement

Run an engagement campaign to education customers about your climate change performance and strategy

% of customers by number

75

% of customer - related Scope 3 emissions as reported in C6.5

65

Portfolio coverage (total or outstanding)

<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement

Most carbon emissions arise from our customers usage, so it's vital that we engage with our customers to use energy more sustainably. Core to achieving this is to provide practical energy efficiency solutions to our customers. In 2019, Washington Gas, a subsidiary of AltaGas, completed a climate business plan that is designed to reduce GHG emissions throughout the natural gas value chain. The climate change business plan was designed to serve as a blueprint to achieve carbon neutrality in support of the District of Columbia's long-term climate goals. Although the plan was developed with DC climate goals in mind, AltaGas believes that the strategies identified in this plan can be adopted in each of Washington Gas' operating areas with the proper legislative support. The core tenets of the plan focus on maximize energy efficiency programs for our customers, as well as leverage our existing, vast and reliable energy infrastructure system to deliver not only natural gas but also alternative fuel sources like biogas and 'green' hydrogen. Through extensive and thorough research, AltaGas determined that the best path forward for Washington Gas to help support the District in achieving its climate goals is taking a Fuel Neutral Decarbonization approach. The three building blocks for 2050 Natural Gas Decarbonization are End Use, Transmission and Distribution, and Sourcing and Supply – these three action areas may lead to the success of Fuel Neutral Decarbonization by embracing new emerging technologies, as well as energy innovations. Increasing energy efficiency is the first step to reduce energy use. The Plan highlights the many methods that can be employed to reduce energy use and improve efficiency for customers. As an ongoing commitment AltaGas/Washington Gas will hold regular bi-annual public meetings to ensure that there is continued open, collaborative and constructive dialogue with customers and other stakeholders. As the Climate business plan evolves, AltaGas/Washington Gas will continue to engage and educate our customers on the various practical energy efficiency solutions that are available.

Impact of engagement, including measures of success

Our measure of success is helping our customers use energy more efficiently. AltaGas' subsidiary Washington Gas has a successful track record for reducing GHG emissions and demonstrates that Washington Gas is a preferred energy partner that will continue to help lower GHG emissions and meet climate goals by bringing innovation to what we deliver, how we deliver and the business model that pays for our service. Our Climate business plan sets forth GHG emissions reduction measures based on their ability to meet the desired GHG emissions reductions while preserving the energy affordability and reliability Washington Gas' customers need. Promoting energy efficiency measures is one of the best (cleanest, least expensive) approaches to GHG emissions reductions. It avoids the need for new energy infrastructure, promotes conservation of our natural resources, and lowers customer bills. Our plan predicts greater efficiency in end use of natural gas can be a material driver for GHG emission reductions. Success measures include: Constructive stakeholder collaboration, supportive policy and regulatory certainty to facilitate investments in GHG reduction and support implementation of the measures proposed in the Plan such that Washington Gas can continue to be an effective partner in achieving climate goals while maintaining its financial integrity and its ability to continue to attract capital to safely and reliably serve its customers in the District.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

AltaGas engages with other partners in the value chain in various ways to ensure the interest and concerns of our customers and stakeholders are always taken into consideration. Energy Efficiency is an important aspect of AltaGas' Utility business strategy, and as such we collaborate with other partners in our value chain to help deliver innovative solutions to help our customers become more energy efficient. Each of our Utility business across the United States offer customer-based solutions through energy assessments for recommendation to improve home energy efficiency. A good example of a collaborative project is the EmPOWER initiative in the state of Maryland. EmPOWER helps homeowners and other residential customers throughout the state to reduce energy use and save money on utility bills. As part of the initiative, rebates are available on high efficiency natural gas equipment. Washington Gas partners with other utility business in the area like, Baltimore Gas and Electric Company (BGE), Potomac Edison Company (PE), Delmarva Power & Light (Delmarva), Potomac Electric Power Company (PEPCO), Southern Maryland Electric Cooperative, Inc. (SMECO), to help administer this program. The program includes lighting and appliance rebates for homeowners, Home Performance with ENERGY STAR (including home energy assessments and 50% rebates for energy improvements like insulation and air sealing), commercial lighting rebates, and energy efficiency services for industrial facilities. In addition to collaborating with other Utility businesses on efficiency projects, we also partner with area manufacturers to offer rebate incentives on energy efficient appliances for homeowners, which are combined with rebate incentives that are offered by our Utility businesses to reduce upfront cost of purchase.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers
Trade associations

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Regulation of methane emissions	Support	Participate in a committee composed of upstream and midstream organization across Alberta to provide guidance and industry perspective with respect to proposed methane emission reduction regulations.	To meet the goal set out by the Government of Alberta, the Alberta Energy Regulator developed regulatory requirements within Directive 060: Upstream Petroleum Industry Flaring, Incinerating, and Venting, and Directive 017: Measurement Requirements for Oil and Gas Operations. Draft requirements were released for public comment in April 2018, and in December 2018, revised editions were released. The new edition of Directive 060 comes into effect on January 1, 2020, including the methane reduction requirements. The new edition of Directive 017 is effective immediately following its release. The requirements address the primary sources of methane emissions from Alberta's upstream oil and gas industry: fugitive emissions and venting, which includes emissions from compressors, pneumatic devices, and glycol dehydrators. The requirements also focus on improved measurement, monitoring, and reporting of methane emissions.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

Clean Energy BC

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

CEBC is advocating (via website publications and speeches) the following with respect to new climate change policy in BC: Ensure there is opportunity for the Clean Energy sector in BC's new Climate Action Plan; increase demand for electricity. 1. Advocate for increasing use of electricity to power BC industries, transportation, transit, buildings, and homes because it is climate friendly power. 2. Inform the government, opposition parties and public in BC about the value of the clean and renewable energy sector to BC's economy and society. 3. Capitalize upon the new federal government's commitment to green infrastructure and clean energy by working to secure investments helpful to BC.

How have you influenced, or are you attempting to influence their position?

Via active membership on the board, AltaGas helped develop and approve this position.

Trade association

BC LNG Alliance

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The Alliance's position on climate change legislation supports those mechanisms that promote the reduction of GHG emissions in other jurisdictions (such as Asia) through the future use of LNG from BC rather than other hydrocarbons such as coal. This is communicated in speeches and website publications.

How have you influenced, or are you attempting to influence their position?

Via active membership on the board, AltaGas helped develop and approve this position.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Statements or positions communicated by AltaGas in direct and indirect activities that influence policy are managed by our use of Key Messages. Key Messages are developed by multi-disciplinary teams including communications staff, Investor Relations, and other subject matter experts that are consistent with our strategic objectives.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports, in line with the CDSB framework (as amended to incorporate the TCFD recommendations)

Status

Complete

Attach the document

ALA_Management Information Circular 2019_0.pdf

AltaGas Annual Report 2019.pdf

AltaGas AIF 2019.pdf

Page/Section reference

AIF - Pg. 41,42,43,44,56,57,59,60,70-72 Annual Report - Pg. 6, 43-46 Management Information Circular - Pg. 29-47

Content elements

Governance

Strategy

Risks & opportunities

Comment

Publication

In other regulatory filings

Status

Complete

Attach the document

Climate-Business-Plan-March-16-2020-FOR-WEB.pdf

Page/Section reference

Page 1,5, 26-27

Content elements

Strategy

Risks & opportunities

Emission targets

Other metrics

Comment

The Climate Change business plan is a blueprint for fuel neutral decarbonization by 2050.

Publication

In voluntary sustainability report

Status

Underway – previous year attached

Attach the document

AltaGas.Ltd_.ESG_.Report_v7.2.pdf

Page/Section reference

Pg. 3,9-12, 18

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Other metrics

Comment

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

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This document contains references to certain financial measures that do not have a standardized meaning prescribed by US GAAP and may not be comparable to similar measures presented by other entities. The non-GAAP measures and their reconciliation to US GAAP financial measures are shown in AltaGas' Management's Discussion and Analysis (MD&A) as at and for the period ended June 30, 2020. These non-GAAP measures provide additional information that management believes is meaningful regarding AltaGas' operational performance, liquidity and capacity to fund dividends, capital expenditures, and other investing activities. Readers are cautioned that these non-GAAP measures should not be construed as alternatives to other measures of financial performance calculated in accordance with US GAAP. EBITDA is a measure of AltaGas' operating profitability prior to how business activities are financed, assets are amortized, or earnings are taxed. EBITDA is calculated from the Consolidated Statements of Income (loss) using net income (loss) adjusted for pre tax depreciation and amortization, interest expense, and income tax recovery .

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Financial Officer	Chief Financial Officer (CFO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

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