

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 natural gas liquids (NGLs) and natural gas to domestic and global markets. The Corporation's long-term strategy is centred around its mission to improve quality of life by safely and reliably connecting customers to affordable sources of energy for today and tomorrow. The company is focused on building a diversified, low-risk, high-growth Utilities and Midstream business that delivers resilient and durable value for stakeholders that compounds over time. AltaGas' midstream strategy is to operate a world class Midstream platform that connects producers to domestic and global markets. The midstream business segment operates long-life midstream assets that are positioned for where the market is headed. This includes providing global connectivity, improved customer outcomes and environmental benefits. 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 North America via the Corporation's footprint in the Montney region in British Columbia, Canada and the Western United States. AltaGas' utility strategy is to operate a safety-focused, digitally-enabled and high-growth utility that exceeds customers' expectations and excels in the emerging energy ecosystem. 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.

In 2020, AltaGas revised its reportable segments to align with the structure of its core Utilities and Midstream segments following asset sales completed as part of its 2019 asset monetization program. Consistent with Management's strategic view of the business and the basis on which it assesses performance and allocates resources, beginning in 2020, AltaGas has two operating segments: Utilities (which now includes the WGL retail marketing business) and Midstream. All other assets (including AltaGas' 507 MW natural gas fired power generation facility located in Blythe, California) are included in the Corporate/Other segment. AltaGas' operating segments include the following:

- Utilities, which serves approximately 1.7 million customers with a rate base of approximately US\$4.3 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 affordable natural gas to homes and businesses. The Utilities business also includes storage facilities and contracts for interstate natural gas transportation and storage services, as well as the affiliated retail energy marketing business, which serves approximately 0.5 million customers; and

- Midstream, which includes interests in two export terminals off the West Coast of North America (a 70 percent interest in Ridley Island Propane Export Terminal (RIPET) and an approximate 74 percent interest in the Ferndale terminal, allowing AltaGas to leverage its assets along the energy value chain in Western Canada and the Western United States including natural gas gathering and processing, NGL extraction and fractionation, and natural gas and NGL marketing. The Midstream segment also includes transmission, storage, and an interest in a regulated pipeline in the Marcellus/Utica gas formation in the northeastern United States. In December of 2020, the Corporation acquired an additional equity interest in Petrogas Energy Corp. (a private corporation) a marketing and supply management business for crude oil and NGL products and as a result, the Midstream business now includes a 74 percent interest in the Ferndale export terminal referenced above and other distribution, domestic terminals, wellsite fluids and fuels, and trucking and liquids handling facilities

The Corporate/Other segment consists of AltaGas' corporate activities and a small portfolio of remaining power assets, certain of which are pending sale.

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 2020 | December 31 2020 | 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

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

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 | The Board is responsible for overseeing ESG priorities, risks and opportunities, including with respect to climate change. 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. The EHS Committee evaluates climate change related risks and opportunities. The Audit Committee has oversight over the Enterprise Risk Management program and oversees financial impacts related to climate change related risks. |

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 | <p>Reviewing and guiding strategy</p> <p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding risk management policies</p> <p>Reviewing and guiding annual budgets</p> <p>Reviewing and guiding business plans</p> <p>Setting performance objectives</p> <p>Monitoring implementation and performance of objectives</p> <p>Overseeing major capital expenditures, acquisitions and divestitures</p> <p>Monitoring and overseeing progress against goals and targets for addressing climate-related issues</p> | <Not Applicable> | <p>The Board is responsible for the stewardship of the Company and for overseeing the management of AltaGas' business and affairs, including oversight of strategic direction and strategy execution, risk management and ESG priorities, risks, and opportunities (including with respect to climate change and energy transition) as well as development of robust governance practices. The CEO is responsible for strategy development and execution and each year the Board dedicates at least two days to discuss the five-year strategic plan from which annual and long-term goals and objectives are set. During these sessions, longer-range risks and opportunities beyond the five-year horizon are considered in the planning process, including climate change related risks and energy transition. The strategic planning process factors in regulatory strategies and environmental stewardship required to achieve the plan, the company's broader environment and social (E&S) goals, the role of digitization and technology, employee engagement, talent development, stakeholder engagement and community investment. Internal and external key risks and challenges to achieving the plan are also assessed. The strategic plan guides management's evaluation of potential opportunities, and shapes its decision-making relating to its annual business plan and capital budget as well as goal and objective setting. Performance against those goals and objectives, including those tied to corporate social responsibility objectives, is linked to executive compensation, and is monitored by the Board. The opportunities AltaGas pursues are evaluated against strategic, operating, and financial criteria and evaluated for enhancements to safety and reliability and other E&S factors to ensure they align with long-term strategy and provide ongoing organic growth potential and favourable risk profiles. The Board approves the budget, performance metrics and all material transactions, taking into account the strategic plan and the various factors considered in the planning process. The Board is responsible for enterprise risk oversight and 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. E&S risks, including climate change related risks, and the Company's approach to managing these risks are embedded within the ERM process. Risks are validated and ranked by senior leadership and reviewed with the Board. At every regularly scheduled Board meeting, time is dedicated to evaluating and measuring progress made toward strategy execution and evaluating key near-term and long-term risks to meeting AltaGas' strategic objectives.</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 |
| Chief Sustainability Officer (CSO) | <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 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. The CEO develops and recommends strategic plans for Board approval, which align with the Corporation's core values, taking into account the opportunities and risks of the business and establishes performance measures that support the achievement of strategy. Together with the Chief Financial Officer, the CEO establishes long-term financial objectives consistent with strategy and develops annual and capital budgets for Board approval.

In October of 2020 the Corporation established a new position, Chief External Affairs and Sustainability Officer. The Chief External Affairs and Sustainability Officer (CSO) reports directly to the CEO and is responsible for leading the organization's ESG initiatives and priorities and collaborating with functional leads within the business to manage risks. ESG priorities are validated by the Executive Committee and reviewed with the Board and its committees. The Executive Committee, which includes the CEO, CFO, CSO and other EVPs, evaluates opportunities and risks, including those related to climate, monitors performance against key performance indicators, incorporates ESG priorities into decision-making, including strategy development and capital deployment, and links goals and objectives to compensation. The CSO, together with a steering committee, oversees data measurement, verification and reporting of material key performance indicators.

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 | Short-term incentive value drivers (performance objectives) for 2020 included a combination of strategic, financial, capital and operational efficiency, and corporate social responsibility (CSR) value drivers, with CSR weighted at 15% of the total value drivers. |

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 Efficiency project | AltaGas' short-term incentive plan provides an annual cash performance incentive tied to the achievement of corporate, divisional 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, financial, capital, and operational efficiency and corporate social responsibility (CSR) objectives, with CSR weighted at 15% of the total value drivers. 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 and individual awards are determined based on an individual's achievement and contribution to the value driver results. For 2020, the CSR value drivers included, among others, compliance and leadership in safety and environment, diversity and inclusion, cyber/IT and corporate practices and regulations. |
| Chief Executive Officer (CEO) | Monetary reward | Emissions reduction project Energy reduction project Efficiency project | AltaGas' short-term incentive plan applies to the CEO with any annual cash pay-out tied to the achievement of a combination of strategic, financial, capital and operational efficiency and corporate social responsibility objectives. AltaGas targets a significant percentage of executive total compensation to be at-risk and weighted toward long-term incentives to mitigate the risk of encouraging achievement of short-term goals at the expense of long-term sustainability and shareholder value. Long-term incentives link compensation with long-term shareholder value creation. Long-term incentives are heavily weighted to performance units. The compensation program is designed to motivate the CEO and other executives to transform the enterprise in order to achieve the Corporation's target corporate results and strategic objectives. |

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 | 10 | |
| Long-term | 10 | | |

C2.1b

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

Climate-related risks are integrated into strategic planning and financial performance, where financial, health & safety, environmental, regulatory and reputational consequences are assessed through risk management. Climate change has become a key catalyst for risks that are emerging or intensifying over time, including the transition to a lower emissions future, advancements in energy technology, fossil fuel activism, and growing regulatory and government scrutiny.

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 a two-day meeting to discuss the strategic plan and set annual and long-term objectives pursuant to the strategic plan. Time is also 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-related 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 Environmental, Health, and Safety Committee of the Board oversees the management of climate-related risks and opportunities. The Board, primarily through the Audit Committee, oversees AltaGas' ERM program and oversees financial impacts associated with climate-related risks and opportunities. As well, material risks and opportunities, including climate-related risks and opportunities are considered in our formulation of our short-term (annual plan) and long-term strategic plan. As well, management has established an Environmental, Social, and Governance Steering Committee to ensure climate-related risks and opportunities are integrated into decision making throughout the organization. At the asset level, risks and 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. AltaGas proactively identifies and reviews potential opportunities for greenhouse gas reductions and implements them where appropriate. AltaGas takes climate-related 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' risk management process to address transitional risks and opportunities related to climate change is through facilitating the delivery of diversified, lower carbon intensive fuels for our downstream customers in Asia. In 2019, AltaGas expanded its presence in the Liquefied Petroleum Gas (LPG) export market through commissioning the Ridley Island Propane Export Terminal (RIPET) on the Northwest coast of British Columbia. RIPET provides the Canadian energy industry with access to premium global LPG markets while delivering lower carbon intensive and ethically sourced Canadian propane to key Asian economies to meet the regions' growing energy needs. In 2020, AltaGas took steps to further advance our global export strategy by increasing our ownership stake in Petrogas Energy Corp. (Petrogas), an LPG export business, where we have had an investment since 2013. An example of climate-related physical risk that AltaGas is managing through its risk management process, 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 with these regulations and laws 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 from 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 and Ferndale LPG Propane Export Terminals by shipping propane and butane to Asia which has the potential to displace more carbon-intensive energy sources like coal. Examples of Current Regulation considerations impacting AltaGas' Business: The Clean Energy DC Omnibus Act of 2018 (the CEDC Act), effective as of March 22, 2019, requires 100% of the District's electricity supply to come from renewable energy sources by 2032. By 2041, at least 10% of that energy must come from solar energy generated within the District. The law also aims to reduce carbon emissions by 50% below 2006 levels by 2032 and achieve carbon neutrality by 2050. AltaGas' utility, Washington Gas Light Company, operates in the District of Columbia and developed its DC Climate Business Plan to illustrate how Washington Gas could, within its service territory in DC, help the district meet its goals. This plan was filed with the DC Public Service Commission in March 2020. It is a long-term business plan that details how Washington Gas will assist customers maximize energy efficiency programs as well as leverage its existing, vast and reliable energy infrastructure system in DC to deliver not only natural gas but also alternative fuels like biogas and hydrogen as part of a broader portfolio mix of energy supply in the future. |
| 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' facilities may be subject to future federal or state/provincial or local 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. AltaGas actively participates in industry groups and continuously monitors proposed changes to climate change policy and regulations in order to identify, quantify, and manage material risks. We frequently comment on proposals independently, as well as through our industry associations. Examples of emerging regulation considerations impacting AltaGas' Business: Midstream - In 2020, the Canadian federal government announced plans to accelerate the reduction of greenhouse gas emissions by 2030 with increases in the federal carbon tax on fuels to \$170 a tonne by that year. As of the date hereof, there has been no indication as to how the Canadian Federal Government will effect these proposed changes to pricing or how it might implement the Federal backstop provisions in Alberta or BC to force the Provinces to increase their pricing schemes beyond 2022. Transition 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. AltaGas also focuses on emissions reductions initiatives, and technology deployment to aid risk mitigation. Utilities – The US Federal Government set 2030 greenhouse gas emissions targets in April, 2021, with consideration of various policies to achieve these targets. Net-zero targets have also been set within some of AltaGas' utilities jurisdictions which could result in future additional legislation and regulations. Stakeholder engagement is part of AltaGas' mitigation strategies and AltaGas proactively communicates with legislators, regulators, and stakeholders in these jurisdictions. |
| Technology | Relevant, always included | Technological improvements or innovations that support the transition to a lower-carbon economy can affect AltaGas as well as its customers or suppliers. Within our Midstream segment, one of our competitive advantages is providing producers access to alternative export markets, particularly Asia, which benefits from access to lower carbon emitting LPGs, such as propane and butane, as the region goes through its own energy transition and adopts these fuels as alternatives to more carbon intensive fuels that may be consumed, such as thermal coal. By offering a new market to producers for their products we also mitigate against any potential for decreases in demand for domestic product. AltaGas has mitigated the risk that technological improvements or innovations that support the transition to a lower-carbon economy could have on long-term demand and recognized the opportunities and financial rewards of investing in cleaner technologies including cogeneration, natural gas-fired power generation, and small-scale carbon capture and storage (Acid Gas Injection) in our Midstream business. Also, our largest utility, Washington Gas, uses draw down compressors to reduce and/or eliminate gas venting during routine maintenance activities, helping to reduce methane emissions. Washington Gas is in the process of developing their own compressor technology and in July 2020, received a provisional patent for a new type of medium-pressure, highly portable drawdown compressor. Focusing on customer energy efficiency and savings, maintaining a modern infrastructure, and leveraging the extensive infrastructure that exists today, presents an opportunity to introduce renewable natural gas and hydrogen in the future. Continual operational and technological improvements across the AltaGas enterprise help support emission reductions initiatives within its businesses |
| 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 demand and consumption by consumers as a result of changing behaviours, and 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 2020, 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. Our core values: work safely, think responsibly, act with integrity, make informed decisions, achieve results, and invest in our people and foster diversity, form the foundations for how we do business with our customers, partners and other stakeholders, and serve as a blueprint to fulfill our vision and strategy. We engage in proactive stakeholder relations and communication, and build strong working relationships with all of our stakeholders including Indigenous peoples, customers, producers, and regulators. For example, WGL conducts public meetings every six months to raise awareness of its DC Climate Business plan. Also, core to our business 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. |
| 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 climate-related physical hazards such as wildfires, floods, and storms which may impact AltaGas' assets or operations or its supply chain or lower aggregate customer demand from affected markets. 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 and project design. For example, AltaGas has operations that are located in areas that have historically been exposed to the risk of forest fire. We monitor conditions 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, affordable energy to our customers in North America, and Asia, safely and reliably. 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 | Climate-related physical hazards from progressive shifts in climate patterns such as increasing temperatures, sea level rise, and changes in precipitation may impact AltaGas' assets or operations or its supply chain or lower aggregate customer demand from affected markets. 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. |

C2.3

(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 |
|--------------------|---------------------------|

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

AltaGas is subject to transition risks related to climate change. Some of AltaGas' facilities are subject to current provincial, state, and federal climate change regulations to manage greenhouse gas emissions. Carbon taxes, levies, and various carbon abatement programs are active across some of AltaGas' operating areas. The direct or indirect costs of compliance with these regulations, including carbon pricing, may have a material adverse effect on AltaGas' business, financial condition, results of operations, and prospects. These costs may also impact AltaGas' customers. As of December 31, 2020 – approximately 90% of AltaGas' Scope 1 emissions are covered under a regulatory program that requires emission reporting 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 consumption; 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, 2020 - AltaGas had three gas processing facilities in Canada that exceeded the 50,000 tonnes threshold. Two facilities are in the province of Alberta and one is in the province of British Columbia. Both Alberta assets are regulated under the Technology Innovation and Emission Reduction (TIER) regulation. The BC asset is regulated under the Greenhouse Gas Industrial Reporting and Control Act. British Columbia has had a carbon tax in place since 2008, with a current price for carbon set at \$40 per tonne CO2e for 2020, \$45 per tonne for 2021 and \$50 per tonne for 2022. 100 percent of AltaGas' assets in BC are covered by the provincial carbon tax 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)

8000000

Potential financial impact figure – maximum (currency)

10000000

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 is partially mitigated through commercial arrangements that flow through such operating costs on to producers. Based on variable carbon pricing schemes across AltaGas' operating areas and current consumption of taxed fuels from operating assets with a price on carbon, the impact could be as high as \$10,000,000 in our Midstream segment, annually, based on the ceiling price for 2022. To arrive at estimated minimum annual financial impact AltaGas used actual carbon tax paid on fuel consumed at the carbon tax pricing during 2020 of \$40 per tonne of CO2e and for an estimated maximum annual financial impact the current ceiling price of \$50 per tonne was applied. These figures assume asset operations into the future will be the same as calendar year 2020.

Cost of response to risk

500000

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 strategies or efficiency opportunities to reduce regulatory impact on our operations. Managing the direct carbon tax risk, is seen as an inherent part of management, and is incorporated into operational budgets. The cost is estimated to be <\$500,000 per year, which is the expected time commitment of employees, plus various data collection and management costs.

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 | 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 asset located in California, is 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 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)

13000000

Potential financial impact figure – maximum (currency)

21000000

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 facility. 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. AltaGas' power generation facility located in California, is a critical source of electricity supply that serves as a stable and reliable source of supply during periods of high demand and intermittent renewable energy availability experienced in the Los Angeles area. As a result we have seen higher than normal local temperatures within the areas the facility serves resulting in significant changes year over year in output based on higher demand for power production and escalating cost associated with the procurement of carbon allowance and carbon offsets. Over a three-year period (2018 – 2020), the emissions totaled 2,467,295 million metric tons CO₂e. The estimated annual financial minimum and maximum impact was calculated using historical emission reporting and the range of average auction settlement pricing across a three-year compliance period from 2018 to 2020. 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

500000

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. Managing this risk, is seen as an inherent part of management, and is incorporated into operational budgets. The cost is estimated to be <\$500,000 per year, which is the expected time commitment of employees, plus various data collection and management costs.

Comment**Identifier**

Risk 3

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 |
|--------------------|--|

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, there are mandatory reporting requirements for our Power asset in California under the Cap and Trade program. Emission reporting obligations are an ongoing reporting 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; • Increased 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 minimum costs above are built into AltaGas' annual operating budgets 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 reporting obligations described above are being met. Managing the cost associated with emissions reporting is seen as an inherent part of management and is incorporated into operational budgets. The cost is estimated to be between 750,000 and 1,500,000 per year, which is the expected time commitment of employees/consultants, plus various data collection and management costs.

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.

Comment

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

| | |
|---------------------|--|
| Emerging regulation | Mandates on and regulation of existing products and services |
|---------------------|--|

Primary potential financial impact

Other, please specify (Potential for decreased revenues)

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

AltaGas may be subject to transition risks related to climate change. AltaGas' business could be directly and/or indirectly impacted by federal, state, provincial and local laws and regulations that restrict GHG emissions. These regulations could result in reductions in the use of natural gas by its customers, limit the operations of, or increase the costs faced by producers in generating their products. Changes in energy consumption by consumers as a result of the availability of and incentive to invest in energy efficient technology have the potential to reduce customer demand. This could negatively impact AltaGas' results. This also presents a significant opportunity for the introduction of alternative low to no carbon fuels such as renewable natural gas or hydrogen.

Time horizon

Long-term

Likelihood

About as likely as not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The direct or indirect costs of compliance with these regulations, including carbon pricing, may have a material adverse effect on AltaGas' business, financial condition, results of operations, and prospects. Changes in energy consumption by consumers as a result of the availability of and incentive to invest in energy efficient technology have the potential to reduce customer demand. This could negatively impact AltaGas' results. Given the evolving nature of the debate related to climate change and the control of greenhouse gas emissions and resulting requirements, it is difficult to predict the impact on AltaGas and its operations and financial condition.

Cost of response to risk

Description of response and explanation of cost calculation

AltaGas with its subsidiary Washington Gas Light Company completed a comprehensive Climate 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 and Hydrogen. At this point in time we cannot estimate cost, as the technologies and market for these emerging alternative fuels are developing.

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

Other, please specify (Increased financial contribution resulting from increased demand for products and services)

Company-specific description

The growing demand for cleaner energy in Asia is a driving force behind our Midstream business. Our strategy remains centered around being an industry leading export partner for our customers by providing access to premier global LPG markets. In addition to providing more attractive realized prices for our Midstream customers, we are facilitating the delivery of diversified, lower carbon intensive fuels for our downstream customers in Asia. In 2019, AltaGas expanded its presence in the Liquefied Petroleum Gas (LPG) export market through commissioning the Ridley Island Propane Export Terminal (RIPET) on the Northwest coast of British Columbia. In 2020, AltaGas took steps to further advance our global export strategy by increasing our ownership stake in Petrogas Energy Corp. (Petrogas), an LPG export business, where we have had an investment since 2013. The transaction provides AltaGas with operational responsibility for the Ferndale LPG export terminal in Washington State. Through RIPET and Ferndale, AltaGas has established its footprint in the export market providing opportunities for Canadian producers to access new markets for their products. AltaGas plans to continue to build upon our export competency, increasing throughput at existing facilities to fully utilize available capacity, while maintaining top-tier operating costs and environmental standards. Building on AltaGas' 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, while also helping to improve air quality and reduce GHGs by displacing more carbon-intensive energy sources like coal.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

AltaGas' global export assets include the Company's RIPET and Ferndale export terminals, which are located in Northern B.C. and Washington State, respectively. These terminals facilitate North American producers and aggregators to access global markets and provides incremental opportunities for improved price realization for propane and butane production. As AltaGas builds on the Company's operational capabilities and continues to align with leading North American producers and global customers in Asia through long-term tolling agreements, it expects to continue to increase throughput at our facilities to fully utilize available capacity. Between the two facilities, AltaGas has the ability to ship in excess of 130,000 Bbl/d. AltaGas plans to manage the export facilities such that a growing portion of annual capacity will be underpinned by tolling arrangements, and expects to reach this objective over the next several years. For volumes not contracted under tolling arrangements, commodity price risk is mitigated through AltaGas' comprehensive hedging programs. Leveraging AltaGas' core export strategy and access to premium global pricing to attract volumes creates value for our company, our customers, as well as local communities and Indigenous partners, while also helping to improve air quality and reduce GHGs by displacing more carbon-intense energy sources like coal. As AltaGas looks to this strategic opportunity over the medium-term time horizon, estimating its potential financial impact would be too far forward looking.

Cost to realize opportunity**Strategy to realize opportunity and explanation of cost calculation**

AltaGas' integrated Midstream strategy provides producers with services across the energy value chain, including access to export markets overseas. At the centre of its core export strategy are AltaGas' LPG export facilities. There will be incremental costs to realizing the opportunities that RIPET and Ferndale provide, including costs related to securing supply and optimizing logistics. AltaGas is unable to provide a cost calculation at this time.

Comment**Identifier**

Opp2

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 and reliability)

Company-specific description

Our existing investment plan in our Utility businesses include significant expenditures over the next 5 years to replace pipelines across our distribution network within our service areas. Through this commitment to replacing aging pipelines we are improving the safety, integrity, and reliability of our energy infrastructure, while reducing our emissions and improving our customer experience. AltaGas has regulatory approval to invest approximately US\$1.1 BN on these programs of which approximately US\$733 MM was remaining as of 2020 year-end. A breakdown of these regulatory approvals is listed by jurisdiction below: Washington Gas: • District of Columbia approximately US\$150 million over the period from 2021 to 2023; • Maryland an investment of approximately US\$350 million over a five-year period from 2019 to 2023; • Virginia of approximately US\$500 million over the five year period from 2018 to 2022; SEMCO: • Accelerated main replacement programs and infrastructure reliability program in Michigan, with an estimated investment of US\$115 million from 2021 to 2026.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

37000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The financial impact figure is estimated based on AltaGas' allowed rate of return, approved equity thickness and estimated ARP spending that remained at the end of 2020. These figures are calculated on the basis of the currently approved and remaining ARP programs as of 2020 year-end. With that said, given the focus of AltaGas and the Regulators across the jurisdictions where the company operates, we believe there is strong likelihood of these ARP programs to be increased in size and extended in duration, given the strong positive impact they can have on customer outcomes, leak reduction and reduced fugitive emissions. The financial impact figure is stated in US Dollars and is an annual after-tax net income figure that would be a recurring benefit.

Cost to realize opportunity

733000000

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 has regulatory approval to invest approximately US\$1.1 BN on these programs including some of these approved spending plans being initiated prior to 2021. Approximately US\$733 MM was remaining as of 2020 year-end. This includes investments in the following jurisdictions: Washington Gas: • District of Columbia approximately US\$150 million over the period from 2021 to 2023; • Maryland an investment of approximately US\$350 million over a five-year period from 2019 to 2023; • Virginia of approximately US\$500 million over the five year period from 2018 to 2022; SEMCO: • Accelerated main replacement programs and infrastructure reliability improvement program in Michigan, with an estimated investment of US\$115 million from 2021 to 2026. The cost to realize the opportunity is stated in US Dollars and is a one-time investment figure, including AltaGas' allowed debt and equity thickness

levels in each respective jurisdiction.

Comment

Identifier

Opp3

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

Other, please specify (Improved operational resilience)

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, behavior based programs and emerging natural gas programs and technologies. The programs allow customers to maintain their preference for natural gas while reducing greenhouse gas emissions, customer bills and maintaining reliability.

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)

3000000

Potential financial impact figure – maximum (currency)

6000000

Explanation of financial impact figure

Between 2015 and 2020, these programs have contributed a total of \$3 million in EBITDA. Approximately \$13.2 million has been provided as incentive payments to utility customers during that time, with a total investment of \$32.3 million into energy efficiency programs. It is also estimated that these programs have saved customers just under \$8 million in their energy costs over the same period. The potential financial impact figures identified above are estimates of \$3M - \$6million 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, cost-effective) 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

Identifier

Opp4

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Primary potential financial impact

Increased value of fixed assets

Company-specific description

As we continue to move towards a more decarbonized ecosystem, we believe natural gas will play a critical part as the transition fuel of the future. Our Utilities distribution network is comprised of critical infrastructure that enables us to deliver low carbon natural gas today and provides a foundation for delivery of carbon-free solutions in the years ahead, including renewable natural gas and hydrogen. In March 2020, Washington Gas Light filed a Climate Business Plan with the Public Service Commission of the District of Columbia which lays out an innovative approach to how WGL can help the District meet its future climate goals, which includes targeting carbon neutrality for the District by 2050, while preserving customer access to affordable, reliable energy. The leadership and innovation shared in the Climate Business Plan are inherent in our company's culture and deep-rooted experience in bringing new, cleaner energy sources to customers. Our plan promotes customer energy efficiency and savings, focuses on building and maintaining a modern infrastructure today, and leveraging the extensive infrastructure that exists to introduce renewable natural gas and hydrogen in the future. The plan includes investing in and piloting some of these emerging technologies that will maintain and enhance the region's position as responsible climate leaders.

Time horizon

Long-term

Likelihood

About as likely as not

Magnitude of impact

Unknown

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Because of the long-term nature of this opportunity involving emerging technologies and alternative fuels supply, it is too early for AltaGas to be able to attribute to it, a financial impact figure.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Although AltaGas recognizes there will be costs in achieving this opportunity, a cost calculation has not yet been determined

Comment

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) Is your organization's low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

| | Is your low-carbon transition plan a scheduled resolution item at AGMs? | Comment |
|-------|---|---------|
| Row 1 | No, and we do not intend it to become a scheduled resolution item within the next two years | |

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

C3.2a

(C3.2a) 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) | <p>Washington Gas Light Company (Washington Gas) a subsidiary of AltaGas, completed a climate business plan that is designed to reduce GHG emissions throughout the natural gas value chain within its operations in the District of Columbia. The plan covers 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 Washington Gas’ D.C. service area, 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 (EVs), 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: washingtongasclimatebusinessplan.com</p> |

C3.3

(C3.3) 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 | AltaGas' vision is to be a leading North American energy infrastructure company that connects natural gas and natural gas liquids to domestic and global markets. The company's mission is to improve quality of life by safely and reliably connecting customers to affordable sources of energy for today and tomorrow. 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 play a critical role in supporting this transition. 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 Midstream business. AltaGas differentiated its Midstream business by expanding our presence in the Liquefied Petroleum Gas (LPG) export market by commissioning the Ridley Island Propane Export Terminal (RIPET) on the Northwest coast of British Columbia. RIPET provides the Canadian energy industry with access to premium global LPG markets while delivering lower carbon intensive Canadian propane to key Asian economies. In 2020, AltaGas took steps to further advance our global export strategy by increasing our ownership stake in Petrogas Energy Corp., an LPG export business. The transaction provides AltaGas with operational responsibility for the Ferndale LPG export terminal in Washington State and allows AltaGas to optimize the way in which it connects its customers with premium global markets. AltaGas' 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, while also helping to improve air quality by displacing more carbon-intensive energy sources like coal. 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 and other factors such as conservation. 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 for these businesses. 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 to longer 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, 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. 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 offered 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 regional development of RNG resources can provide significant environmental and economic benefits to the Washington DC metropolitan area and can help to support D.C. climate goals of achieving carbon neutrality by 2050. AltaGas through its subsidiary Washington Gas could leverage its extensive infrastructure to introduce renewable natural gas and hydrogen in the future. More information on the RNG study can be found here: https://washingtongasdcclimatebusinessplan.com/ . Washington Gas is also piloting the use of Drawdown Compressor technology to recover gas in infrastructure during maintenance and replacement projects to avoid atmospheric venting. We are evaluating the use of drawdown compressors on a variety of pressures and project types to fully understand the operation and capacity of the equipment. Thus far, the use of drawdown compressors has been best suited for medium scale projects. Washington Gas is in the process of developing their own compressor technology and in July 2020 received a provisional patent for a new type of medium-pressure, highly portable drawdown compressor. Washington Gas is currently developing the appropriate training modules, emission reduction tracking mechanisms, and equipment selection strategies to support deployment. AltaGas can expect the time horizon of this opportunity to be medium 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. In 2020 we invested approximately US \$425 million towards the replacement of aging infrastructure through our system betterment and pipe replacement programs. Replacing aging pipelines improves the safety, integrity, and reliability of our energy infrastructure, while reducing our emissions and improving our customer experience. Washington Gas has proactive accelerated pipeline replacement programs in all three of its operating jurisdictions. In the District of Columbia an investment of approximately US\$ 150 million is expected over a three year period from 2021 to 2023, in Maryland an investment of approximately US\$ 350 million over a five year period from 2019 to 2023, and an investment in Virginia of approximately US\$ 500 million over a the five year period from 2018 to 2022. In Michigan, SEMCO has a new Main Replacement program (MRP) and a new Infrastructure Reliability Improvement Program (IRIP), which will invest approximately US\$ 115 million from 2021 to 2026. Washington Gas has also made a commitment in D.C. to conduct advanced leak detection pilot programs to assess new technologies to more quickly and accurately identify leaks in its system. 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 and repair potential sources of leaks in our Midstream operations. AltaGas can expect the time horizon of these risk and opportunities to be short to medium term. |

C3.4

(C3.4) 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. Changes in energy consumption by consumers as a result of the availability of and incentive to invest in energy efficient technology have the potential to reduce customer demand. 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. Conversely, implementation of AltaGas' strategic pipeline replacement and infrastructure improvement programs over the next number of years, 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. Focusing on customer energy efficiency and savings, maintaining a modern infrastructure, and leveraging the extensive infrastructure that exists today, presents an opportunity to introduce carbon-free solutions, including renewable natural gas and hydrogen in the future. In 2019, our Midstream division commissioned 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. In 2020, AltaGas took steps to further advance our global export strategy by increasing our ownership stake in Petrogas Energy Corp. (Petrogas), an LPG export business, where we have had an investment since 2013. The transaction provides AltaGas with operational responsibility for the Ferndale LPG export terminal in Washington State. Our Export terminals at both RIPET and Ferndale provide access to premium 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. In addition to providing more attractive realized prices for our Midstream customers, we are facilitating the delivery of diversified, lower carbon intensive fuels for our downstream customers in Asia. These climate risks and opportunities are expected to have impacts on a longer-term time horizon, as the world transitions to a low carbon economy. |

C3.4a

(C3.4a) 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

12

% change anticipated in absolute Scope 3 emissions

0

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

141.6

% of target achieved [auto-calculated]

54.0375294260119

Target status in reporting year

Underway

Is this a science-based target?

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

Target ambition

2°C aligned

Please explain (including target coverage)

This target applies to the entire Washington Gas Utilities business. AltaGas is providing an update on targets that were active for our business in 2020. We are currently actively reviewing our existing emission reduction targets to ensure they fit with our current business operations while providing flexibility to measure progress towards future opportunities.

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

2015

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

2015

Figure or percentage in base year

445848

Target year

2020

Figure or percentage in target year

10

Figure or percentage in reporting year

10

% 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 exceeded its facility target in 2020 and applied to receive 67301 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

Target reference number

Oth 2

Year target was set

2020

Target coverage

Product level

Target type: absolute or intensity

Absolute

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

| | |
|------------------------------|--|
| Fossil fuel reduction target | Other, please specify (Combustion Emissions (tCO2e)) |
|------------------------------|--|

Target denominator (intensity targets only)

<Not Applicable>

Base year

2019

Figure or percentage in base year

31434

Target year

2020

Figure or percentage in target year

10

Figure or percentage in reporting year

10

% 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?

No, it's not part of an overarching initiative

Please explain (including target coverage)

AltaGas exceeded its aggregate facility fuel consumption target in 2020 and applied to receive 1,511 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

Target reference number

Oth 3

Year target was set

2016

Target coverage

Business division

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 and 2 Emissions) |
|-----------------------|---|

Target denominator (intensity targets only)

<Not Applicable>

Base year

2008

Figure or percentage in base year

46556

Target year

2025

Figure or percentage in target year

100

Figure or percentage in reporting year

12577

% of target achieved [auto-calculated]

73.1423282245566

Target status in reporting year

Underway

Is this target part of an emissions target?

This target is a business division target that covers emissions from fleet and facilities.

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

This target applies to the entire Washington Gas Utilities business. AltaGas is providing an update on targets that were active for our business in 2020. We are currently actively reviewing our existing emission reduction targets to ensure they fit with our current business operations while providing flexibility to measure progress towards future opportunities.

C-OG4.2d

(C-OG4.2d) 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 | | |
| To be implemented* | 1 | 55000 |
| Implementation commenced* | 1 | 11431 |
| Implemented* | 2 | 23296 |
| 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

| | |
|-------------------------------------|---------------------|
| Company policy or behavioral change | Resource efficiency |
|-------------------------------------|---------------------|

Estimated annual CO2e savings (metric tonnes CO2e)

23296

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

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

896406

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

200000

Payback period

<1 year

Estimated lifetime of the initiative

21-30 years

Comment

Continuous process improvements assisted in our facilities achieving their emissions reduction targets. Focused efforts to reduce flaring activities at a number of our sites helped AltaGas to achieve its estimated annual CO2e savings. Cost to improve plant process is estimated at 200k in 2020, which represents general operating expenses incurred to operate our plants efficiently. The annual savings was estimated by applying regional carbon pricing to estimated CO2e savings.

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

98

% 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. In 2020, AltaGas revised its reportable segments to align with the structure of its business following asset sales completed as part of its 2019 asset monetization program. As a result of these changes, AltaGas has refocused on its core Utilities and Midstream segments. AltaGas' business also includes the Corporate/Other segment, which consists primarily of a small portfolio of remaining power assets, certain risk management contract results, and revenues and expenses not directly identifiable with the operating businesses.

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, lowering emissions and driving down cost.

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, utilized by the midstream business, 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 that are between 0.2 to 0.5% of throughput at individual facilities. 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)

2348399

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 CDP 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)

362734

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 CDP 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

US EPA Emissions & Generation Resource Integrated Database (eGRID)

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 Greenhouse gas quantification methodologies; 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)

1930998

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

100992

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?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source

PetroGas Energy Corp.

Relevance of Scope 1 emissions from this source

Emissions excluded due to recent acquisition

Relevance of location-based Scope 2 emissions from this source

Emissions excluded due to recent acquisition

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions excluded due to recent acquisition

Explain why this source is excluded

The acquisition of PetroGas Energy Corp. closed in late December 2020 and therefore emission sources have been excluded in our 2020 data disclosure.

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. Using the GHG Protocol Scope 3 evaluator to conduct an assessment of purchased good and services scope 3 emissions suggest this category contributes less than 5% to our total scope 3 output and is therefore considered to be immaterial.

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 to our GHG management efforts.

Waste generated in operations

Evaluation status

Not relevant, calculated

Metric tonnes CO2e

2726

Emissions calculation methodology

Emissions from waste have been calculated based on estimated spend for waste services using the online Quantis Scope 3 Evaluator tool. This equates to an estimated scope 3 value of 2,726 tonnes.

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

0

Please explain

Carbon emissions associated with waste in our operations are not considered relevant from a materiality perspective (equating to 0.02%), relative to other calculated scope 3 emissions. However, they have been calculated using the Quantis Scope 3 Evaluator tool based on estimated spend for waste services.

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 the Scope 1 emissions summary. Business travel emissions in 2020 were not relevant to our organization due to the travel restrictions from 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

Our reporting approach includes upstream leased assets in our scope 1 and 2 emissions. Therefore, this field is not relevant.

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

As AltaGas' primary product is gas that is used as an end product, the emissions from the processing of sold products is not relevant.

Use of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

12834715

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

0

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

AltaGas is not a financial organization.

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)

2031991

Metric denominator

unit total revenue

Metric denominator: Unit total

5587000000

Scope 2 figure used

Location-based

% change from previous year

0

Direction of change

No change

Reason for change

Intensity figure reported to 5 decimal places had no change from previous year.

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 | 1511489 | IPCC Fourth Assessment Report (AR4 - 100 year) |
| CH4 | 399025 | IPCC Fourth Assessment Report (AR4 - 100 year) |
| N2O | 20483 | 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 | 780846 |
| United States of America | 1150152 |

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 | 780846 |
| AltaGas - Power | 765484 |
| AltaGas - Utilities | 384668 |

(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 <i>13,990 MWh purchased and consumed from BC Hydro. Emissions are calculated using location based emission factors. More than 90% of BC Hydro's generation is produced by hydroelectric generation, which is generally the most cost-effective, clean and reliable option.</i> | 93461 | | 150846 | 13990 |
| United States of America <i>WGL purchased Renewable Energy Certificates (RECs) to cover the full amount of purchased electricity (10,749 MWh). SEMCO purchased renewable power to cover 35% of total power consumed at their corporate office. Certificates for these purchases were not available prior to CDP disclosure deadline. Approximately 2% of AltaGas' total energy consumption (excluding feedstock) comes from the grid.</i> | 7531 | | 21982 | 11378 |

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 | 93461 | |
| AltaGas - Power | 1083 | |
| AltaGas - Utilities | 6448 | |

(C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-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?

Increased

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 | 4200 | Decreased | 0.2 | In 2020, AltaGas purchased and consumed slightly more renewable energy. AltaGas through its subsidiary Washington Gas acquired and subsequently retired Renewable Energy Credits to offset grid power consumption. SEMCO Energy purchased 35% renewable power for corporate headquarters. AltaGas' renewable energy consumption increased so our scope 2 emissions were decreased by 4200 metric tons CO2e as a result of the activities outlined above. S1 and S2 Emissions in 2019 was 1995096. Therefore, this is calculated as such $4200/1995096*100=0.2\%$ |
| Other emissions reduction activities | 49466 | Decreased | 2 | In 2020, most of our emission reduction initiatives can be attributed to a reduction in flaring activities across our midstream business. Combined S1 and S2 emission from 2019 were 1995096 tCO2e, therefore, $49466/1995096*100=2\%$ |
| Divestment | 3034 | Decreased | 0.2 | Asset divestment of two power assets in 2020 resulted in a decrease of 0.2% in our gross global S1 and S2 emissions. The divestment accounted for 3034 tCO2e. Therefore, $3034/1995096*100=0.2\%$ |
| Acquisitions | | <Not Applicable > | | |
| Mergers | | <Not Applicable > | | |
| Change in output | 89396 | Increased | 4 | Across all AltaGas business units there were relative changes in output. The changes can mostly be attributed to increased output from AltaGas' power division. In southern California, the 507 MW, combined cycle Blythe Energy Center, a natural gas-fired power generation facility, is a critical source of electricity supply that serves as a stable and reliable source of supply during periods of high demand and intermittent renewable energy availability experienced in the Los Angeles area. The Blythe facility is contracted under a power purchase agreement to Southern California Edison (SCE). Under the tolling agreement, SCE has exclusive rights to all capacity, energy, ancillary services and resource adequacy benefits and determines the output of the facility. Output is directly correlated to product demand and increases or decreases in facility run time can lead to year over year changes in our emissions. In 2020, Blythe was called upon by SCE to generate additional power relative to the previous year, to supply increased consumer electricity demand during periods of higher local temperatures. Combined S1 and S2 emissions from the previous year were 1995096 tCO2e. Therefore, $89396/1995096*100=4\%$. |
| 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 | 2547990 | 2547990 |
| Consumption of purchased or acquired electricity | <Not Applicable> | 25367 | 148718 | 174085 |
| 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> | 25367 | 2696708 | 2722075 |

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

2547990

MWh fuel consumed for self-generation of electricity

256707

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

1058176

Emission factor

50.3

Unit

kg CO2 per GJ

Emissions factor source

API Compendium (August 2009), Exhibit 4.6

Comment

Fuels (excluding feedstocks)

Diesel

Heating value

Please select

Total fuel MWh consumed by the organization

10367

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

2804

Unit

kg CO2e per m3

Emissions factor source

EC (2018). National Inventory Report. Greenhouse Gas Sources and Sinks in Canada: 1990 - 2016. Environment Canada.

Comment

Fuels (excluding feedstocks)

Motor Gasoline

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

36659

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

0.00238

Unit

metric tons CO2e per liter

Emissions factor source

Environment and Climate Change Canada National Inventory Report (2020)

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 | 2236286 | 213632 | 0 | 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 | |

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

Reasonable assurance

Attach the statement

TIER Aggregate Verification statement.pdf

Page/ section reference

Pages 1 thru 3.

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

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 3

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

20

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

RIPET-V1.pdf

Page/ section reference

Pages 1thru 12

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

1

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

ALT-LFO-VS-BRI-2020-V1.pdf

Page/ section reference

Pages 1 thru 14

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

11

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 Gordondale.pdf

Page/ section reference

Pages 1 thru 3

Relevant standard

ISO14064-3

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

Verification+statement_Blythe+EY+2020_+2021-06-01exec.pdf

Page/ section reference

Pg 1-2

Relevant standard

California Mandatory GHG Reporting Regulations (CARB)

Proportion of reported emissions verified (%)

40

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 RY2020.pdf

Page/ section reference

Pages 1-2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

17

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 RY2020.pdf

Page/ section reference

Pages 1-2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

4

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.

BC carbon tax

California CaT - ETS

Other ETS, please specify (Alberta Technology Innovation and Emissions Reduction (TIER) Regulation)

C11.1b

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

California CaT

% of Scope 1 emissions covered by the ETS

40

% of Scope 2 emissions covered by the ETS

0

Period start date

January 1 2020

Period end date

December 31 2020

Allowances allocated

0

Allowances purchased

27000

Verified Scope 1 emissions in metric tons CO2e

765455

Verified Scope 2 emissions in metric tons CO2e

0

Details of ownership

Facilities we own and operate

Comment

Other ETS, please specify

% of Scope 1 emissions covered by the ETS

27

% of Scope 2 emissions covered by the ETS

0

Period start date

January 1 2020

Period end date

December 31 2020

Allowances allocated

0

Allowances purchased

3286

Verified Scope 1 emissions in metric tons CO2e

528146

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 2020

Period end date

December 31 2020

% of total Scope 1 emissions covered by tax

12

Total cost of tax paid

8129089

Comment

The total cost of tax 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 emissions and to manage our exposure to the risk of increasing carbon costs. Second, the commercial agreements we put in place to purchase emission allowances 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/invalidated by the regulator. Third, we have in place robust procedures to ensure the verification of our emissions exposed to Emissions trading systems, to ensure subsequent surrender and retirement of carbon credits is sufficient and carried out in line with the regulatory requirements. 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?

No

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 with active carbon pricing or recognized carbon markets where we own and/or operate assets. Carbon tax costs to our business are included in operating and 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 different geographies. When carbon prices are uncertain, we will employ scenarios that consider varying carbon prices that range from current price up to the future known regulatory price ceiling in our operating jurisdictions of \$50 per tonne.

Type of internal carbon price

Shadow price

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 with a price on carbon 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 the California Cap and Trade program, the British Columbia increasing carbon tax and Alberta's increasing carbon prices, and the Pan-Canadian carbon pricing scheme (rising to \$50 in 2022). In December 2020, The Canadian Federal government announced Canada strengthened climate plan, which includes a carbon tax increase of \$15 per year starting in 2023, reaching \$170 per tonne by 2030. This pricing increase has yet to be implemented into law but will be considered and incorporated by AltaGas on a go forward basis. 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

93

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

85

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 customer 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. Our utilities businesses offer energy efficiency programs to help deliver innovative solutions to help our customers become more energy efficient. As an example, In March 2020, Washington Gas, a subsidiary of AltaGas, published a climate business plan that is designed to reduce GHG emissions throughout the natural gas value chain. The climate business plan was designed to serve as a blueprint to help the District of Columbia achieve its goal of carbon neutrality by 2050. Although the plan was developed with DC climate goals in mind, AltaGas believes that the pathways of carbon reduction identified in this plan can be utilized in each of Washington Gas' operating areas with the proper legislative and regulatory support. The core tenets of the plan focus on maximizing energy efficiency programs for our customers and leveraging our existing, vast and reliable energy infrastructure system to deliver not only natural gas but also alternative fuel sources like biogas and 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 to take 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. Washington Gas holds regular bi-annual public meetings to ensure that there is continued open, collaborative and constructive dialogue with customers and other stakeholders about the building blocks of the plan. As the Climate business plan evolves, 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

We want to help customers manage their energy more sustainably. AltaGas' utility businesses have a successful track record for reducing GHG emissions and have demonstrated that they are 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. 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. Success measures include: Constructive stakeholder collaboration, supportive policy and regulatory certainty to facilitate investments in energy efficiency and GHG reduction pathways and emerging technologies

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 businesses across the United States offer customer-based solutions through energy assessments for recommendations to improve home energy efficiency. The EmPOWER initiative in the state of Maryland 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 businesses 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, Washington Gas also partners 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. In Michigan, AltaGas' subsidiary SEMCO Energy has developed an Energy Waste Reduction Program that provides energy-saving resources, rebates and solutions to SEMCO customers. Through innovative programs and tools, outstanding customer service, and a network of contractor relationships, SEMCO is helping its customers become more energy efficient every day.

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 <i>This is an example regarding direct engagement with policy makers on specific legislation and should not be considered comprehensive. AltaGas and AltaGas subsidiaries have on-going direct and indirect engagement through various business groups with trade associations and other groups that may influence energy and therefore climate policy.</i> | Support | Participate in a committee composed of upstream and midstream organizations across Alberta to provide guidance and industry perspective with respect to: 1. Existing methane emission reduction regulations. 2. What opportunities exist for Alberta to strengthen its methane emissions reduction initiatives beyond the current 45 per cent reduction target for the upstream and midstream energy sectors. | 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. The new edition of Directive 060 came into effect on January 1, 2020, which was developed to reduce methane emissions from oil and gas operations by 45 per cent (relative to 2014 levels) by 2025. The new edition of Directive 017 was effective on May 12, 2020. The requirements in these directives address the primary sources of methane emissions from Alberta's upstream oil and gas industry including 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

Canadian Association of Petroleum Producers (CAPP)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

CAPP recognizes the importance of delivering reliable, affordable, responsibly produced energy that addresses important social and environmental issues, including climate change. CAPP believes Canadian oil and gas has a critical role to play in the integrated energy systems and is part of the global solution needed to tackle the global climate challenge.

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

Through our membership with CAPP, AltaGas participates, when appropriate, in policy working groups. We share industry insight and data where appropriate to help inform CAPP policy positioning on key issues such as Emission Reduction Regulations in our operating jurisdictions.

Trade association

American Gas Association (AGA)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The American Gas Association is committed to reducing greenhouse gas emissions through smart innovation, new and modernized infrastructure, and advanced technologies that maintain reliable, resilient, and affordable energy service choices for consumers.

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

Through our membership with AGA, AltaGas' subsidiary Washington Gas participates, when appropriate, on various committees. We share industry insight and data where appropriate to help inform AGA policy positioning on key issues relating to the Environment and Climate Change.

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?

We have processes in place to manage our day to day administration and management of the company, how we conduct our business and the manner in which we disclose material information. Our delegation of authority policy and procedures set forth a comprehensive matrix of procedures and financial authorities to facilitate day to day operations and to delineate roles, responsibilities and accountabilities of management. Our core values promote the highest level of personal conduct and ethical standards and lay the foundation for how business is conducted. Any activities that involve the release of material public disclosures are governed by AltaGas' disclosure policy. The disclosure policy ensures that material information is disclosed in a timely, consistent and appropriate manner, not improperly used or disclosed and disclosed only by a designated spokesperson. The policy also sets forth the process that is followed for approval of the disclosure of material information prior to disclosure being made. Designated spokespersons are provided a set of key messages to be used for communication. Key Messages are developed by multi-disciplinary teams including communications, 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

Status

Complete

Attach the document

AltaGas AIF 2020_feb25.pdf
AltaGas-Ltd_Proxy Circular_2021.pdf
Q4 2020 MD&A and FS - FINAL_0.pdf

Page/Section reference

Annual Information Form - Pg. 13-18, 45,46,47,59-74,75-77 Financial Statements and Management Discussion & Analysis - Pg. 7,8,49-52 Management Information Circular - Pg. 23, 26, 27, 28, 30, 33, 38, 41, 42

Content elements

Governance
Strategy
Risks & opportunities

Comment

Publication

In voluntary sustainability report

Status

Complete

Attach the document

AltaGas.Ltd_ESG_Report_v7.2.pdf
AltaGas Ltd 2020 ESG Update_Final.pdf

Page/Section reference

ESG Report - Pg. 3,9-12, 18 ESG Update - Pg. 2-4, 6

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Other metrics

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

Comment

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

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.

This document contains "forward-looking statements" within the meaning of applicable securities law. Forward-looking statements are statements other than historical information or statements of current condition and relate to future events or the future financial performance of AltaGas Ltd. or its subsidiaries ("AltaGas"). When used in this document, the words "will", "estimated", "poised", "proposed", "targets" and similar expressions are intended to identify forward-looking statements. In particular, this document contains forward-looking statements with respect to, among other things, AltaGas' strategy and focus; potential reduction of global emissions; the DC Climate Business Plan; impacts of future regulatory obligations; potential financial impact of carbon pricing schemes; potential financial impact of the California cap and trade program; financial impact of compliance with emissions reporting obligations; potential change in consumer energy consumption; capacity expansion at the RIPET and Ferndale facilities; planning for tolling arrangements at these export facilities; estimated ARP spend and potential to expand the program; potential financial impact of energy efficiency programs; plan to introduce renewable natural gas and hydrogen in the future; plan to pilot emerging technologies; emission intensity targets and planned activities related to meeting such targets. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such statements reflect AltaGas' current views with respect to future events based on certain material factors and assumptions and are subject to certain risks and uncertainties, including without limitation, increased costs, emerging technology, scientific research, regulatory guidelines, governmental or regulatory developments and other factors set out in documents that AltaGas files from time to time on SEDAR. Many factors could cause actual results, performance or achievements to vary from those described in this document, including without limitation those identified above. These factors should not be construed as exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this document and such forward-looking statements should not be unduly relied upon. Such statements speak only as of the date of this document. AltaGas does not intend, and does not assume any obligation, to update these forward-looking statements except as required by applicable law. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.

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 March 31, 2021. 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 expense .

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

| | I am submitting to | Public or Non-Public Submission |
|-----------------------------|------------------------|---------------------------------|
| I am submitting my response | Investors Customers | Public |

Please confirm below

I have read and accept the applicable Terms