

SEMPRA ENERGY
 Form 424B5
 July 12, 2018
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Filed Pursuant to Rule 424(b)(5)
 Registration No. 333-220257

Calculation of Registration Fee

Title of each class of securities to be registered	Amount to be registered ⁽¹⁾	Proposed maximum offering price per unit	Proposed maximum aggregate offering price	Amount of registration fee ⁽⁴⁾
6.75% Mandatory Convertible Preferred Stock, Series B	5,750,000 shares ⁽¹⁾	\$100.00	\$575,000,000.00	\$71,587.50
Common stock	⁽²⁾			⁽³⁾

- (1) Includes 750,000 shares of 6.75% Mandatory Convertible Preferred Stock, Series B (the Mandatory Convertible Preferred Stock), issuable upon exercise of the underwriters' option to purchase additional shares of Mandatory Convertible Preferred Stock from the registrant solely to cover over-allotments, if any.
- (2) Includes (i) 5,054,825 shares of common stock issuable upon conversion of 5,750,000 shares of Mandatory Convertible Preferred Stock at the initial maximum conversion rate of 0.8791 shares of common stock per share of Mandatory Convertible Preferred Stock; and (ii) up to 2,930,063 shares of common stock issuable upon conversion of 5,750,000 shares of Mandatory Convertible Preferred Stock on the mandatory conversion date or an early conversion date or upon a conversion during a fundamental change conversion period on account of unpaid dividends, based on the initial floor price of \$39.8125 per share of common stock, as described in the accompanying prospectus supplement. Under Rule 416, the number of shares of common stock whose offer and sale are registered hereby includes an indeterminate number of shares of common stock that may be issued in connection with stock splits, stock dividends, or similar transactions.
- (3) Under Rule 457(i), there is no additional filing fee payable with respect to the shares of common stock issuable upon conversion of the Mandatory Convertible Preferred Stock because no additional consideration will be received in connection with the exercise of the conversion privilege.
- (4) Calculated in accordance with Rule 457(r) and Rule 456(b) under the Securities Act of 1933, as amended.

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PROSPECTUS SUPPLEMENT

(To Prospectus dated January 2, 2018)

5,000,000 Shares

6.75% Mandatory Convertible Preferred Stock, Series B

We are offering 5,000,000 shares of our 6.75% Mandatory Convertible Preferred Stock, Series B (Series B Mandatory Convertible Preferred Stock).

Dividends on the Series B Mandatory Convertible Preferred Stock will be payable on a cumulative basis when, as and if declared by our board of directors at an annual rate of 6.75% on the liquidation preference of \$100.00 per share. We may pay declared dividends in cash or, subject to certain limitations, in shares of our common stock, no par value, or by delivery, at our election, of any combination of cash and shares of our common stock on January 15, April 15, July 15 and October 15 of each year, commencing on October 15, 2018, and to, and including, July 15, 2021.

Unless earlier converted, each share of the Series B Mandatory Convertible Preferred Stock will automatically convert on the second business day immediately following the last trading day of the settlement period into between 0.7326 and 0.8791 shares of our common stock, subject to anti-dilution adjustments. The number of shares of our common stock issuable on conversion of the Series B Mandatory Convertible Preferred Stock will be determined based on the average VWAP (as defined herein) per share of our common stock over the 20 consecutive trading day period beginning on and including the 21st scheduled trading day immediately preceding July 15, 2021, which we refer to as the settlement period. At any time prior to July 15, 2021, holders may elect to convert each share of the Series B Mandatory Convertible Preferred Stock into shares of our common stock at the minimum conversion rate of 0.7326 shares of our common stock per share of the Series B Mandatory Convertible Preferred Stock, subject to anti-dilution adjustments; *provided, however*, that if holders elect to convert any shares of the Series B Mandatory Convertible Preferred Stock during a specified period beginning on the effective date of a fundamental change (as defined herein), such shares of the Series B Mandatory Convertible Preferred Stock will be converted into shares of our common stock at the fundamental change conversion rate (as defined herein), and the holders will also be entitled to receive a fundamental change dividend make-whole amount and accumulated dividend amount (each as defined herein).

Concurrently with this offering, we are offering (the Concurrent Offering) 9,750,000 shares of our common stock pursuant to forward sale agreements we expect to enter into with the forward purchasers identified in the prospectus supplement for the Concurrent Offering. The Concurrent Offering is being made by means of a separate prospectus supplement and not by means of this prospectus supplement. The completion of this offering is not contingent on completion of the Concurrent Offering, and the completion of the Concurrent Offering is not contingent on the completion of this offering.

We intend to use the net proceeds we receive from this offering and pursuant to the forward sale agreements we plan to enter into in connection with the Concurrent Offering, if completed, to repay outstanding commercial paper, to fund

working capital and for other general corporate purposes. See Summary Information and Use of Proceeds.

Prior to this offering, there has been no public market for the Series B Mandatory Convertible Preferred Stock. We intend to apply to have the Series B Mandatory Convertible Preferred Stock listed on the New York Stock Exchange under the symbol SREPRB. Our common stock is listed on the New York Stock Exchange under the symbol SRE. On July 10, 2018, the last reported sale price of our common stock on the New York Stock Exchange was \$117.30 per share.

Investing in the Series B Mandatory Convertible Preferred Stock involves risks. See the Risk Factors section on page S-25 of this prospectus supplement.

	Per Share	Total
Public Offering Price	\$ 100.00	\$ 500,000,000
Underwriting Discount	\$ 1.65	\$ 8,250,000
Proceeds to Sempra Energy (before expenses)	\$ 98.35	\$ 491,750,000

We have granted the underwriters the option, exercisable in whole or from time to time in part, to purchase up to an additional 750,000 shares of our Series B Mandatory Convertible Preferred Stock from us solely to cover over-allotments, if any, at the public offering price per share shown above, less the underwriting discount and subject to possible adjustment as described under Underwriting (Conflicts of Interest), exercisable for 30 days after the date of this prospectus supplement.

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the Series B Mandatory Convertible Preferred Stock to purchasers on or about July 13, 2018.

Joint Book-Running Managers

**Citigroup
BofA Merrill Lynch
Goldman Sachs & Co. LLC**

Credit Suisse

**J.P. Morgan
Deutsche Bank Securities
Wells Fargo Securities**

Senior Co-Managers

**BNP PARIBAS
MUFG**

Credit Agricole CIB

**Mizuho Securities
UBS Investment Bank**

July 10, 2018

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of the offering of our Series B Mandatory Convertible Preferred Stock and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference in the accompanying prospectus. The second part is the accompanying prospectus, which gives more general information, some of which does not apply to our Series B Mandatory Convertible Preferred Stock. If the description of our Series B Mandatory Convertible Preferred Stock or the offering of our Series B Mandatory Convertible Preferred Stock varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any related free writing prospectus issued by us. We have not, and the underwriters have not, authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are offering to sell our Series B Mandatory Convertible Preferred Stock and seeking offers to buy our Series B Mandatory Convertible Preferred Stock only in jurisdictions where offers and sales are permitted. You should assume that the information contained in this prospectus supplement, the accompanying prospectus and any such free writing prospectus is accurate only as of their respective dates and the information contained in documents incorporated by reference is accurate only as of the respective dates of those documents, in each case regardless of the time of delivery of this prospectus supplement or the accompanying prospectus or any such free writing prospectus or any sale of our Series B Mandatory Convertible Preferred Stock. Our business, financial condition, results of operations and prospects may have changed since those dates.

The distribution of this prospectus supplement, the accompanying prospectus and any related free writing prospectus filed with the U.S. Securities and Exchange Commission (the "SEC") and the offering of our Series B Mandatory Convertible Preferred Stock in certain jurisdictions may be restricted by law. Persons into whose possession this prospectus supplement, the accompanying prospectus and any such free writing prospectus come should inform themselves about and observe any such restrictions. This prospectus supplement, the accompanying prospectus and any such free writing prospectus do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. See "Underwriting (Conflicts of Interest)."

Notice to Prospective Investors in the European Economic Area

None of this prospectus supplement, the accompanying prospectus or any related free writing prospectus is a prospectus for the purposes of the Prospectus Directive (as defined below). This prospectus supplement, the accompanying prospectus and any related free writing prospectus have been prepared on the basis that any offer of our Series B Mandatory Convertible Preferred Stock in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of our Series B Mandatory Convertible Preferred Stock. Accordingly, any person making or intending to make an offer in that Relevant Member State of our Series B Mandatory Convertible Preferred Stock which is the subject of the offering contemplated in this prospectus supplement, the accompanying prospectus and any related free writing prospectus may only do so in circumstances in which no obligation arises for us or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither we nor the underwriters have authorized, nor do we or they authorize, the making of any offer of our Series B Mandatory Convertible Preferred Stock in circumstances in which an obligation arises for us or the underwriters to publish a prospectus for such offer. The expression "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes

any relevant implementing measure in the Relevant Member State.

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Notice to Prospective Investors in the United Kingdom

The communication of this prospectus supplement, the accompanying prospectus, any related free writing prospectus and any other document or materials relating to the issue of our Series B Mandatory Convertible Preferred Stock offered hereby is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the United Kingdom's Financial Services and Markets Act 2000, as amended (the FSMA). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom who have professional experience in matters relating to investments and who fall within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Financial Promotion Order)), or who fall within Article 49(2)(a) to (d) of the Financial Promotion Order, or who are any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as relevant persons). In the United Kingdom, the Series B Mandatory Convertible Preferred Stock offered hereby is only available to, and any investment or investment activity to which this prospectus supplement, the accompanying prospectus and any related free writing prospectus relate will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this prospectus supplement, the accompanying prospectus or any related free writing prospectus or any of their contents.

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CERTAIN DEFINITIONS; BASIS OF PRESENTATION

In this prospectus supplement, unless otherwise expressly stated or the context requires otherwise:

Sempra Energy, we, us, our and similar references refer to Sempra Energy and its subsidiaries;

Common Stock Offering or Concurrent Offering means the concurrent offering of 9,750,000 shares of our common stock, including shares offered and sold by the forward sellers, any shares that, under specified limited circumstances, we may be required to offer and sell in such offering in lieu of shares that would otherwise have been offered and sold by the forward sellers and up to an additional 1,462,500 shares of common stock that the underwriters of such offering may elect to purchase directly from us to cover over-allotments, if any. Unless otherwise expressly stated or the context otherwise requires, references herein to the proceeds we receive from the Common Stock Offering and similar references mean the proceeds, if any, that we receive upon settlement of the forward sale agreements we plan to enter into in connection with the Common Stock Offering, the issuance and sale of any shares that, under specified limited circumstances, we may be required to offer and sell in such offering in lieu of shares that would otherwise have been offered and sold by the forward sellers and the issuance and sale of any additional shares of our common stock that the underwriters of such offering may elect to purchase directly from us solely to cover over-allotments, if any;

EFH refers to Energy Future Holdings Corp. (now Sempra Texas Holdings Corp.), which indirectly owns all of the outstanding membership interests of Oncor Holdings;

Existing Forward Sale Agreements means the forward sale agreements we entered into in January 2018, as amended in February 2018, to provide a portion of the financing for the Oncor Merger Consideration, which agreements provide for us to issue and sell to the forward purchasers named therein, on settlement dates specified by us on or before December 15, 2019, a total of 23,364,486 shares of our common stock at an initial forward sale price of \$105.074 per share, subject to adjustment of such price as provided in such forward sale agreements and subject to our right to elect cash settlement or net share settlement. As of June 30, 2018, we had issued a total of 16,208,301 shares upon settlement of a portion of the Existing Forward Sale Agreements and remained obligated to issue an additional 7,156,185 shares pursuant to the Existing Forward Sale Agreements (subject to our right to elect cash settlement or net share settlement);

Financing Transactions means this offering and the Concurrent Offering;

forward purchasers means, unless otherwise expressly stated or the context otherwise requires, an affiliate of Citigroup Global Markets Inc. and an affiliate of J.P. Morgan Securities LLC, which will be parties to the respective forward sale agreements we plan to enter into in connection with the Common Stock Offering;

forward sale agreements means, unless otherwise expressly stated or the context otherwise requires, the forward sales agreements we plan to enter into in connection with the Common Stock Offering;

forward sellers means the forward purchasers or their respective affiliates, as applicable, who are borrowing from third parties and selling to the underwriters of the Common Stock Offering an aggregate of 9,750,000 shares of our common stock, in their capacity as such borrowers and sellers;

minority member means Texas Transmission Investment LLC, which owns 19.75% of the outstanding membership interests in Oncor;

Oncor refers to Oncor Electric Delivery Company LLC;

Oncor Holdings refers to Oncor Electric Delivery Holdings Company LLC, which owns 80.25% of the outstanding membership interests in Oncor;

Oncor Merger means the March 9, 2018 merger of EFH with an indirect, wholly owned subsidiary of Sempra Energy, with EFH continuing as the surviving company and an indirect, wholly owned subsidiary of Sempra Energy;

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Oncor Merger Consideration means the approximately \$9.45 billion in cash we paid as consideration for the Oncor Merger;

Series A Mandatory Convertible Preferred Stock means our outstanding 6% Mandatory Convertible Preferred Stock, Series A;

Series B Mandatory Convertible Preferred Stock means our 6.75% Mandatory Convertible Preferred Stock, Series B; and

this offering means our issuance and sale of shares of our Series B Mandatory Convertible Preferred Stock and any additional shares of the Series B Mandatory Convertible Preferred Stock that the underwriters may elect to purchase from us solely to cover over-allotments, if any.

Unless otherwise specified or the context requires otherwise, information in this prospectus supplement assumes that (1) we do not sell any shares of common stock in the Common Stock Offering to the underwriters in lieu of shares that would otherwise have been sold by the forward seller, (2) the option we have granted to the underwriters in this offering to purchase additional shares of our Series B Mandatory Convertible Preferred Stock from us solely to cover over-allotments, if any, and the option we have granted to the underwriters in the Concurrent Offering to purchase additional shares of our common stock from us solely to cover over-allotments, if any, are not exercised, (3) we effect full physical settlement of the forward sale agreements that we enter into in connection with the Concurrent Offering, and (4) we elect to pay all dividends with respect to the Series B Mandatory Convertible Preferred Stock, if issued, in cash.

Purchasers of our Series B Mandatory Convertible Preferred Stock in this offering should not place undue reliance on the as adjusted and pro forma information, or any other information that gives effect to the assumed completion of this offering or the Concurrent Offering or the assumed full physical settlement of the forward sale agreements we plan to enter into in connection with the Concurrent Offering, included and incorporated by reference in this prospectus supplement and the accompanying prospectus. Among other things, this offering is not contingent on completion of the Concurrent Offering, and the actual amount of proceeds we receive, if any, from the sale of shares of our common stock pursuant to the forward sale agreements we plan to enter into in connection with the Concurrent Offering and from this offering may differ, perhaps substantially, from the amounts reflected in this prospectus supplement. In addition, the unaudited pro forma condensed combined financial information giving effect to the Oncor Merger and the related transactions that is incorporated into this prospectus supplement and the accompanying prospectus by reference to our Current Report on Form 8-K/A filed with the SEC on May 3, 2018 is subject to numerous estimates, assumptions and uncertainties and does not purport to reflect what our consolidated financial position or results of operations would have been had the Oncor Merger and the other transactions reflected in that pro forma financial information been completed on the dates assumed for purposes of that unaudited pro forma condensed combined financial information, nor does it purport to reflect our future financial position or results of operations.

All references to currency amounts included in this prospectus supplement are in U.S. dollars unless specifically noted otherwise.

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FORWARD-LOOKING STATEMENTS AND MARKET DATA

This prospectus supplement, the accompanying prospectus and the documents they incorporate by reference contain, and any related free writing prospectus issued by us may contain, statements that are not historical fact and constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995.

Forward-looking statements are based upon assumptions with respect to the future, involve risks and uncertainties, and are not guarantees of performance. Future results may differ materially from those expressed in the forward-looking statements. Unless otherwise expressly stated, these forward-looking statements represent our estimates and assumptions only as of the respective dates of the documents in which such forward-looking statements appear. We assume no obligation to update or revise any forward-looking statement as a result of new information, future events or other factors.

When we use words such as believes, expects, anticipates, plans, estimates, projects, forecasts, contemplates, depends, should, could, would, will, confident, may, can, potential, possible, proposed, target, maintain, or similar expressions, or when we discuss our guidance, strategy, plans, goals, opportunities, projections, initiatives, objectives or intentions, we are making forward-looking statements.

Factors, among others, that could cause our actual results and future actions to differ materially from those described in any forward-looking statements include risks and uncertainties relating to:

actions and the timing of actions, including decisions, new regulations, and issuances of permits and other authorizations by the California Public Utilities Commission (CPUC), U.S. Department of Energy, California Department of Conservation's Division of Oil, Gas, and Geothermal Resources, Federal Energy Regulatory Commission, U.S. Environmental Protection Agency, Pipeline and Hazardous Materials Safety Administration, Los Angeles County Department of Public Health, Public Utility Commission of Texas (PUCT), states, cities and counties, and other regulatory and governmental bodies in the U.S. and other countries in which we operate;

the timing and success of business development efforts and construction projects, including risks in obtaining or maintaining permits and other authorizations on a timely basis, risks in completing construction projects on schedule and on budget, and risks in obtaining the consent and participation of partners and counterparties;

the resolution of civil and criminal litigation and regulatory investigations;

deviations from regulatory precedent or practice that result in a reallocation of benefits or burdens among shareholders and ratepayers; denial of approvals of proposed settlements or modifications of settlements; and delays in, or disallowance or denial of, regulatory agency authorizations to recover costs in rates from customers (including with respect to amounts associated with the San Onofre Nuclear Generating Station facility and 2007 wildfires) or regulatory agency approval for projects required to enhance safety and reliability, any of which may raise our cost of capital and materially impair our ability to finance our operations;

the greater degree and prevalence of wildfires in California in recent years and risk that we may be found liable for damages regardless of fault, such as in cases where the inverse condemnation doctrine applies, and risk that we may not be able to recover any such costs in rates from customers in California;

the availability of electric power, natural gas and liquefied natural gas, and natural gas pipeline and storage capacity, including disruptions caused by failures in the transmission grid, moratoriums or limitations on the withdrawal or injection of natural gas from or into storage facilities, and equipment failures;

changes in energy markets; volatility in commodity prices; moves to reduce or eliminate reliance on natural gas; and the impact on the value of our investments in natural gas storage and related assets

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from low natural gas prices, low volatility of natural gas prices and the inability to procure favorable long-term contracts for storage services;

risks posed by actions of third parties who control the operations of our investments, and risks that our partners or counterparties will be unable or unwilling to fulfill their contractual commitments;

weather conditions, natural disasters, accidents, equipment failures, computer system outages, explosions, terrorist attacks and other events that disrupt our operations, damage our facilities and systems, cause the release of greenhouse gases, radioactive materials and harmful emissions, cause wildfires and subject us to third-party liability for property damage or personal injuries, fines and penalties, some of which may not be covered by insurance (including costs in excess of applicable policy limits), may be disputed by insurers or may otherwise not be recoverable through regulatory mechanisms or may impact our ability to obtain satisfactory levels of insurance, to the extent that such insurance is available or not prohibitively expensive;

cybersecurity threats to the energy grid, storage and pipeline infrastructure, the information and systems used to operate our businesses and the confidentiality of our proprietary information and the personal information of our customers and employees;

our ability to successfully execute our plan to divest certain non-utility assets within the anticipated timeframe, if at all, or that such plan may not yield the anticipated benefits;

capital markets and economic conditions, including the availability of credit and the liquidity of our investments; and fluctuations in inflation, interest and currency exchange rates and our ability to effectively hedge the risk of such fluctuations;

the impact of recent federal tax reform and uncertainty as to how it may be applied, and our ability to mitigate adverse impacts;

actions by credit rating agencies to downgrade our credit ratings or those of our subsidiaries or to place those ratings on negative outlook;

changes in foreign and domestic trade policies and laws, including border tariffs, and revisions to international trade agreements, such as the North American Free Trade Agreement, that make us less competitive or impair our ability to resolve trade disputes;

the ability to win competitively bid infrastructure projects against a number of strong and aggressive competitors;

expropriation of assets by foreign governments and title and other property disputes;

the impact on reliability of San Diego Gas & Electric Company's (SDG&E) electric transmission and distribution system due to increased amount and variability of power supply from renewable energy sources;

the impact on competitive customer rates due to the growth in distributed and local power generation and the corresponding decrease in demand for power delivered through SDG&E's electric transmission and distribution system and from possible departing retail load resulting from customers transferring to Direct Access and Community Choice Aggregation or other forms of distributed and local power generation and the potential risk of nonrecovery for stranded assets and contractual obligations;

the ability to realize the anticipated benefits from our investment in Oncor Holdings;

indebtedness we have incurred to fund the acquisition of our investment in Oncor Holdings, which may make it more difficult for us to repay or refinance our debt or may require us to take other actions that may decrease business flexibility and increase borrowing costs;

Oncor's ability to eliminate or reduce its quarterly dividends due to its requirement to meet and maintain its regulatory capital structure, or because any of the three major credit rating agencies rates Oncor's senior secured debt securities below BBB (or the equivalent) or Oncor's independent directors

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or a minority member director determine it is in the best interest of Oncor to retain such amounts to meet future capital expenditures;

actions of activist shareholders, which could impact the market price of our common stock, preferred stock and other securities and disrupt our operations as a result of, among other things, requiring significant time and attention by management and our board of directors; and

other uncertainties, some of which may be difficult to predict and are beyond our control.

Forward-looking statements included in this prospectus supplement and the accompanying prospectus and the documents incorporated by reference herein and therein also include or may include statements about the anticipated benefits of the completed Oncor Merger, including future financial or operating results of Sempra Energy or Oncor, Sempra Energy's or Oncor's plans, objectives, expectations or intentions, the anticipated impact of the completed Oncor Merger on the credit ratings of Sempra Energy or Oncor, plans regarding future capital investments by Sempra Energy or Oncor, the projected growth in gross domestic product and population in Texas and the United States as a whole, future return on equity or capital structure of Sempra Energy or Oncor, and other statements that are not historical facts. Additional factors that could cause actual results and future actions to differ materially from those described in any forward-looking statements include risks and uncertainties relating to:

the risk that the anticipated benefits from the completed Oncor Merger may not be fully realized or may take longer to realize than expected; and

the risk that Oncor's results of operations will not be consistent with our expectations or that Oncor's capital investment spending will be less than anticipated.

Investing in our Series B Mandatory Convertible Preferred Stock involves risk. You should review and consider carefully the risks, uncertainties and other factors that affect our business as described herein and in the **Business, Risk Factors, and Management's Discussion and Analysis of Financial Condition and Results of Operations** sections and other sections in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, which are incorporated by reference in this prospectus supplement and the accompanying prospectus. These risks, uncertainties and other factors could cause you to suffer a loss of all or part of your investment in our Series B Mandatory Convertible Preferred Stock. Before making an investment decision, you should carefully consider these factors and risks as well as other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus and any related free writing prospectus issued by us. Risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations, financial results and the value of our Series B Mandatory Convertible Preferred Stock.

We caution you not to rely unduly on any forward-looking statements. You should review and consider carefully the risks, uncertainties and other factors that affect our business as described herein and in our reports and other documents on file with the SEC that are incorporated by reference into this prospectus supplement and the accompanying prospectus and any related free writing prospectus issued by us. You may obtain copies of these reports and documents as described under **Where You Can Find More Information** in the accompanying prospectus.

This prospectus supplement, the accompanying prospectus and the documents incorporated and deemed to be incorporated by reference in the accompanying prospectus include, and any free writing prospectus we provide you in connection with this offering may include, market, demographic and industry data and forecasts that are based on or derived from sources such as independent industry publications, publicly available information, government data and other information from third parties or that have been compiled or prepared by our management or employees, as well as information regarding Oncor and the market in which it operates. We do not guarantee the accuracy or completeness of any of this information, and we have not independently verified any of the information provided by third party sources or any of the information regarding Oncor or its market. In

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addition, market, demographic and industry data and forecasts involve estimates, assumptions and other uncertainties and are subject to change based on various factors, including those discussed under the heading **Risk Factors** in this prospectus supplement and under similar headings in documents that are incorporated or deemed to be incorporated by reference in the accompanying prospectus. In that regard, we understand that statements that Oncor operates the largest distribution and transmission system in Texas are based on the number of customers. Accordingly, you should not place undue reliance on any of this information.

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SUMMARY INFORMATION

The following information supplements, and should be read together with, the information contained in the accompanying prospectus and the documents incorporated by reference herein and therein. You should carefully read this prospectus supplement and the accompanying prospectus, as well as the documents they incorporate by reference and any related free writing prospectus issued by us, before making an investment decision. Unless we state otherwise or the context otherwise requires, references appearing in this prospectus supplement to we, us and our should be read to refer to Sempra Energy and its subsidiaries.

Sempra Energy

Sempra Energy, based in San Diego, California, is a Fortune 500 energy-services holding company whose operating units invest in, develop and operate energy infrastructure, and provide electric and gas services to customers in North and South America. Our two principal operating units are Sempra Utilities, which includes our San Diego Gas & Electric Company, Southern California Gas Company (SoCalGas), Sempra Texas Utility and Sempra South American Utilities reportable segments; and Sempra Infrastructure, which includes our Sempra Mexico, Sempra Renewables and Sempra LNG & Midstream reportable segments. For additional information concerning us, you should refer to the information described under the caption Incorporation by Reference in this prospectus and under the caption Where You Can Find More Information in the accompanying prospectus.

Our principal executive offices are located at 488 8th Avenue, San Diego, California 92101, and our telephone number is (619) 696-2000.

Recent Developments

Capital Rotation

The Sempra Energy board of directors regularly reviews our capital allocation strategy against our broader strategic objectives. These objectives seek to generate attractive risk-adjusted returns by allocating capital to businesses with scale and shared growth drivers in attractive markets where we can leverage our core competencies. We are currently executing the first phase of a three phase plan designed to achieve our strategic and capital allocation objectives and support our North American utility and long-term contracted infrastructure business focus.

Phase 1 of our portfolio review is an evaluation of U.S. wind and solar generation assets and investments in our Sempra Renewables reportable segment and U.S. midstream assets in our Sempra LNG & Midstream reportable segment. In connection with Phase 1, as announced on June 28, 2018, our board of directors approved a plan to divest certain non-utility natural gas storage assets in the southeast U.S. and all of our U.S. wind and U.S. solar assets (collectively, the Assets). Included in the plan of sale of the Assets are certain natural gas storage assets at our Sempra LNG & Midstream reportable segment and all of the wind assets and investments and solar assets and investments at our Sempra Renewables reportable segment.

Phase 2 of our portfolio review will continue to objectively review our South American utilities, Chilquinta Energía S.A. (Chilquinta Energía), a wholly owned subsidiary in Chile, and Luz del Sur S.A.A. (Luz del Sur), an 83.6-percent owned subsidiary in Peru. As we review our South American utilities, we intend to evaluate their growth prospects, how they are valued in their respective markets, their long-term strategic fit and financial impacts within Sempra Energy. We also plan to evaluate various strategic alternatives with respect to these subsidiaries with a view to enhancing long-term shareholder value, taking into consideration that both of these businesses provide us with geographic and regulatory diversification and currently fund their operations with internally generated funds and their

own external financing.

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Phase 3 is designed to be centered around improving visibility regarding the value of our liquefied natural gas (LNG) portfolio, which includes our three-train Cameron LNG liquefaction facility currently under construction, which we anticipate will begin producing LNG at all three trains in 2019. The remaining development opportunities currently within our LNG portfolio are our Port Arthur LNG project in Texas and our Energía Costa Azul (ECA) liquefaction project in Mexico. We are actively pursuing both of these development opportunities. ECA is owned by Infraestructura Energética Nova, S.A.B. de C.V. (IEnova), a 66.4% owned Mexican subsidiary. In addition, we are considering expanding our Cameron LNG liquefaction facility to include up to two additional trains.

As a result of the plan to sell the Assets identified in Phase 1 of our portfolio review, we expect to record impairment charges related to certain of the Assets totaling approximately \$1,470 million to \$1,545 million (approximately \$870 million to \$925 million, after tax and noncontrolling interests) in the second quarter of 2018. These charges include approximately \$1,290 million to \$1,320 million at Sempra LNG & Midstream (approximately \$745 million to \$760 million, after tax and noncontrolling interests) and approximately \$180 million to \$225 million at Sempra Renewables (approximately \$125 million to \$165 million, after tax and noncontrolling interests). These impairment charges will result primarily from adjusting the related Assets carrying values to estimated fair values, less costs to sell. Other than the costs to sell, which we expect to be approximately \$10 million, we do not expect that any of the impairment charges will result in future cash expenditures.

Our capital rotation plan is subject to certain risks and uncertainties. For additional information, see Risk Factors Risks Related to the Series B Mandatory Convertible Preferred Stock and Common Stock We may be unable to realize the anticipated benefits from our plan to divest certain of our assets as part of our capital rotation plan.

Elliott Associates, L.P., Elliott International, L.P. and Bluescape Resources Company LLC

On June 11, 2018, Elliott Associates, L.P. and Elliott International, L.P. (collectively, Elliott) and Bluescape Resources Company LLC (Bluescape) disclosed they were collectively holders of an approximately 4.9% economic interest in our outstanding common stock as of such date and delivered a letter and accompanying presentation to our board of directors seeking collaboration with them and management to nominate six new directors identified by Elliott and Bluescape and establish a committee of the board of directors to conduct portfolio and operational reviews of our business. Elliott and Bluescape have also suggested, among other things, that the new board committee review the disposition of our stakes in Chilquinta Energía, Luz del Sur and IEnova, and spin-off our Sempra LNG & Midstream business, which includes our interest in our Cameron LNG joint venture and certain other pipeline assets and LNG development projects.

We are committed to constructive and fruitful engagement with our shareholders and are available to discuss and evaluate ideas from our shareholders on how to maximize long-term value. As part of this engagement, we intend to continue our dialogue with Elliott and Bluescape regarding their proposals.

See Risk Factors Risks Related to the Series B Mandatory Convertible Preferred Stock and Common Stock Our business could be negatively affected as a result of actions of activist shareholders, and such activism could impact the trading value of our common stock, Series A Mandatory Convertible Preferred Stock and Series B Mandatory Convertible Preferred Stock.

Financing Transactions

In addition to the sale of our Series B Mandatory Convertible Preferred Stock in this offering, we expect to obtain additional financing through the Concurrent Offering described below.

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Common Stock Offering. Concurrently with this offering, we are offering, by means of a separate prospectus supplement and subject to market and other conditions, 9,750,000 shares of our common stock, no par value (the Common Stock Offering or the Concurrent Offering). In addition, we have granted an option to the underwriters in the Concurrent Offering to purchase up to an additional 1,462,500 shares of our common stock directly from us to cover over-allotments, if any. In connection with the Concurrent Offering, we expect to enter into forward sale agreements with an affiliate of Citigroup Global Markets Inc. and an affiliate of J.P. Morgan Securities LLC, which affiliates we refer to in such capacity as the forward purchasers with respect to 9,750,000 shares of our common stock. In connection with these forward sale agreements, the forward purchasers or their respective affiliates, whom we refer to in such capacity as the forward sellers, at our request, are borrowing from third parties and selling to the underwriters of the Concurrent Offering for resale in the Concurrent Offering an aggregate of 9,750,000 shares of our common stock. If the forward purchasers determine in good faith, after using commercially reasonable efforts, that the forward sellers are unable to borrow and deliver for sale on the anticipated closing date for the Concurrent Offering such number of shares of our common stock or that the forward sellers are unable to borrow, at a stock loan rate not greater than a specified rate, and deliver for sale on the anticipated closing date for the Concurrent Offering such number of shares of our common stock, or if the forward sellers elect not to borrow shares of our common stock because specified conditions in the underwriting agreement of the Concurrent Offering are not satisfied, then we will issue and sell to the underwriters for the Concurrent Offering a number of shares equal to the number of shares that the forward sellers do not borrow and sell. This prospectus supplement is not an offer to sell or a solicitation of an offer to buy the securities being offered in the Concurrent Offering.

We will not initially receive any proceeds from the sale of shares of our common stock offered in the Concurrent Offering, unless (i) an event occurs that requires us to sell such shares to the underwriters of the Concurrent Offering in lieu of the forward sellers selling such shares to such underwriters, or (ii) such underwriters exercise their over-allotment option to purchase additional shares of our common stock, in which case we will sell all of the additional shares of our common stock covered by such option to the underwriters rather than requiring the forward sellers to borrow and sell such additional shares to the underwriters.

We expect to fully physically settle the forward sale agreements in one or more settlements on or prior to December 15, 2019. Although we expect to settle the forward sale agreements entirely by the physical delivery of shares of our common stock in exchange for cash proceeds, we may elect cash settlement or net share settlement for all or a portion of our obligations under the forward sale agreements. If we elect to cash settle the forward sale agreements, we would expect to receive an amount of cash proceeds that is significantly lower than the amount we would have received upon full physical settlement and we may not receive any cash proceeds (or may owe cash, which could be a significant amount, to the forward purchasers). If we elect to net share settle the forward sale agreements in full, we would not receive any cash proceeds from the forward purchasers (and we may be required to deliver shares of our common stock to the forward purchasers and the number of those shares could be significant). The amount of cash or shares of our common stock we receive upon settlement of the forward sale agreements, if any, will depend on the relevant settlement method, the time of settlement, market interest rates and, if applicable under cash or net share settlement, the market price of our common stock during the period in which a forward counterparty unwinds its hedge positions with respect to the forward sale agreements. Settlement will occur on or prior to December 15, 2019, on one or more dates specified by us under the forward sale agreements. The forward sale agreements are subject to acceleration by the forward purchasers upon the occurrence of certain events. See

Description of the Forward Sale Agreements in this prospectus supplement for a description of certain terms of the forward sale agreements. In addition, the forward sale price is subject to adjustment pursuant to the forward sale agreements and the actual proceeds, if any, will be calculated as described under the foregoing caption. As a result, the actual amount of cash we receive upon settlement of the forward sale agreements may be less, perhaps substantially, than the amount reflected in this prospectus supplement or we may not receive any cash from that settlement.

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Transactions not Contingent. Completion of this offering is not contingent on the completion of the Concurrent Offering and completion of the Concurrent Offering is not contingent on the completion of this offering. Accordingly, even if the Concurrent Offering does not occur, the shares of Series B Mandatory Convertible Preferred Stock sold in this offering will remain outstanding.

Purchasers of our Series B Mandatory Convertible Preferred Stock in this offering should not place undue reliance on the as adjusted and pro forma information, or any other information that gives effect to the assumed completion of this offering or the Concurrent Offering or the assumed full physical settlement of the forward sale agreements we plan to enter into in connection with the Concurrent Offering, included and incorporated by reference in this prospectus supplement and the accompanying prospectus. The actual amount of proceeds we receive from the sale of the Series B Mandatory Convertible Preferred Stock in this offering and from the sale of shares of our common stock pursuant to the forward sale agreements we expect to enter into in connection with the Concurrent Offering may differ, perhaps substantially, from the amounts reflected in this prospectus supplement. Among other things, although we expect to settle the forward sale agreements expected to be entered into in connection with the Concurrent Offering entirely by full physical delivery of shares of our common stock in exchange for cash proceeds, we may elect cash settlement or net share settlement for all or a portion of our obligations under the forward sale agreements, and it is possible that we may not receive any proceeds, or may be required to make payments or deliver shares of our common stock to the forward sellers, in connection with settlement of the forward sale agreements. In addition, the forward sale price is subject to adjustment pursuant to the forward sale agreements and the actual proceeds, if any, will be calculated as described in this prospectus supplement. See Description of the Forward Sale Agreements. As a result, the actual amount of cash we receive upon settlement of the forward sale agreements may be less, perhaps substantially, than the amount reflected in this prospectus supplement or we may not receive any cash from that settlement.

We cannot assure you that we will complete either of the Financing Transactions on the terms contemplated by this prospectus supplement or at all.

Table of Contents**The Offering**

The following summary contains basic information about this offering. It does not contain all of the information that is important to you. You should read this prospectus supplement and the accompanying prospectus, the documents incorporated and deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus and any free writing prospectus we may provide you in connection with this offering carefully before making an investment decision.

As used in this section, references to Sempra Energy, we, us and our mean Sempra Energy excluding its subsidiaries and affiliates.

Issuer	Sempra Energy
Securities Offered	5,000,000 shares of our 6.75% Mandatory Convertible Preferred Stock, Series B (Series B Mandatory Convertible Preferred Stock).
Public Offering Price	\$100.00 per share of the Series B Mandatory Convertible Preferred Stock.
Underwriters Option	We have granted the underwriters a 30-day option to purchase up to 750,000 additional shares of the Series B Mandatory Convertible Preferred Stock from us solely to cover over-allotments, if any, at the public offering price, less the underwriting discount.
Dividends	6.75% of the liquidation preference of \$100.00 per share of the Series B Mandatory Convertible Preferred Stock per annum. Dividends shall accumulate from the most recent date as to which dividends shall have been paid or, if no dividends have been paid, from the first original issue date, whether or not in any dividend period or periods there have been funds legally available for the payment of such dividends, and, to the extent that we are legally permitted to pay dividends and our board of directors (which term, as used in this summary, includes an authorized committee of the board) declares a dividend with respect to the Series B Mandatory Convertible Preferred Stock, we will pay such dividend in cash or, subject to certain limitations, in shares of our common stock or by delivery of any combination of cash and shares of our common stock, as determined by us in our sole discretion, on each dividend payment date; provided, however, that any undeclared and unpaid dividends will continue to accumulate. Dividends that are declared will be payable on the dividend payment dates to holders of record of the Series B Mandatory Convertible Preferred Stock on the immediately preceding January 1, April 1, July 1 and October 1 (each a record date), whether or

not such holders convert their shares, or such shares are automatically converted, after a record date and on or prior to the immediately succeeding dividend payment date. The expected dividend payable on the first dividend payment date is \$1.725 per share. Each subsequent dividend is expected to be \$1.6875 per share. See Description of Series B Mandatory Convertible Preferred Stock Dividends.

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If we elect to make any payment of a declared dividend, or any portion thereof, in shares of our common stock, such shares shall be valued for such purpose at 97% of the average VWAP (as defined under

Description of Series B Mandatory Convertible Preferred Stock Definitions) per share of our common stock over the five consecutive trading day period beginning on and including the sixth scheduled trading day prior to the applicable dividend payment date (such average, the average price). In no event will the number of shares of our common stock delivered in connection with any declared dividend, including any declared dividend payable in connection with a conversion, exceed a number equal to the total dividend payment divided by \$39.8125, which amount represents 35% of the initial price (as defined below) (subject to adjustment in a manner inversely proportional to any anti-dilution adjustment to each fixed conversion rate as described below) (such dollar amount, as adjusted, floor price). To the extent that the amount of the declared dividend exceeds the product of the number of shares of our common stock delivered in connection with such declared dividend and 97% of the average price, we will, if we are legally able to do so, pay such excess amount in cash.

The initial price is \$113.75, which equals the per share public offering price of our common stock in the Common Stock Offering (initial price).

Dividend Payment Dates

January 15, April 15, July 15 and October 15 of each year, commencing on October 15, 2018 and to, and including, July 15, 2021.

Mandatory Conversion Date

The second business day immediately following the last trading day of the settlement period (as defined below). The mandatory conversion date is expected to be July 15, 2021.

Mandatory Conversion

On the mandatory conversion date, each share of the Series B Mandatory Convertible Preferred Stock, unless previously converted, will automatically convert into shares of our common stock based on the conversion rate as described below.

If we declare a dividend for the dividend period ending on July 15, 2021, we will pay such dividend to the holders of record as of the close of business on the record date immediately preceding such date, as described above. If, prior to the mandatory conversion date we have not declared all or any portion of the accumulated dividends on the Series B Mandatory Convertible Preferred Stock, the conversion rate will be adjusted so that holders receive an additional number of shares of our common stock equal to the amount of such undeclared, accumulated and

unpaid dividends (such amount, additional conversion amount) divided by the greater of the floor price and 97% of the average price. To the extent that the additional conversion amount exceeds the product of the number of additional shares and

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97% of the average price, we will, if we are legally able to do so, declare and pay such excess amount in cash pro rata to the holders of the Series B Mandatory Convertible Preferred Stock.

Conversion Rate

The conversion rate for each share of the Series B Mandatory Convertible Preferred Stock will be not more than 0.8791 shares of our common stock and not less than 0.7326 shares of our common stock (minimum conversion rate), depending on the applicable market value of our common stock, as described below and subject to certain anti-dilution adjustments.

The applicable market value of our common stock is the average VWAP per share of our common stock over the settlement period. The settlement period is the 20 consecutive trading day period beginning on and including the 21st scheduled trading day immediately preceding July 15, 2021. The conversion rate will be calculated as described under Description of Series B Mandatory Convertible Preferred Stock Mandatory Conversion, and the following table illustrates the conversion rate per share of the Series B Mandatory Convertible Preferred Stock, subject to certain anti-dilution adjustments.

Applicable market value of our common stock	Conversion rate (number of shares of our common stock to be received upon conversion of each share of the Mandatory Convertible Preferred Stock)
Greater than \$136.50 (which is the threshold appreciation price)	0.7326 shares (approximately equal to \$100.00 divided by the threshold appreciation price).
Equal to or less than \$136.50 but greater than or equal to \$113.75	Between 0.7326 and 0.8791 shares, determined by dividing \$100.00 by the applicable market value of our common stock.
Less than \$113.75 (which is the initial price)	0.8791 shares (approximately equal to \$100.00 divided by the initial price).

Conversion at the Option of the Holder At any time prior to July 15, 2021,