Alex Vallejo
Executive Vice President, Chief People Officer

300 Lakeside Drive
Oakland, CA 94612

August 24, 2026

Tony Marino
Deputy Director, Electrical Infrastructure Directorate
Office of Energy Infrastructure Safety
715 P Street, 20th Floor
Sacramento, California 95814

Re: Request for Approval of 2026 Executive Compensation Structure (2026 Executive Compensation Docket, #2026-EC Docket)

Dear Deputy Director Marino:

Pacific Gas and Electric Company ("PG&E") is submitting herewith information regarding its 2026 executive compensation structure. PG&E believes that the structure complies with the requirements of Assembly Bill 1054 as codified in Public Utilities Code § 8389(a)(4) and (a)(6), as well as the additional requirements of the California Public Utilities Commission's June 1, 2020 Decision Approving [the Chapter 11] Reorganization Plan of PG&E and PG&E Corporation (D.20-05-053). PG&E formally requests that the Office of Energy Infrastructure Safety ("Energy Safety") approve the 2026 structure pursuant to Public Utilities Code § 8389(a)(6)(B).

Consistent with the definition of "executive officer" in Public Utilities Code § 451.5, which is incorporated into § 8389(a)(4) and (a)(6), PG&E's submission includes compensation information only for its own executive officers, not the executive officers of its corporate parent PG&E Corporation. PG&E notes, however, that executive compensation at PG&E Corporation is also structured to promote safety and financial stability. Compensation information for PG&E Corporation's executive officers can be found in PG&E's and PG&E Corporation's joint proxy statements, which are available at https://investor.pgecorp.com/financials/annual-reports-and-proxy-statements/default.aspx.

Energy Safety's approval of PG&E's 2025 executive compensation structure stated: "In its 2026 filing, PG&E must explain the basis for the changes in its STIP and LTIP that reduced the weighting of safety measures and provide justification for these changes." As to the STIP, there was no change in the weighting of safety measures; from 2024 to 2026, the weighting of safety measures has remained constant at 60%. As to the LTIP, there likewise was no change in the weighting of safety measures; from 2024 to 2026, the weighting of safety measures has remained constant at 40%. In the LTIP, what changed was that, in 2024, all LTIP awards were performance-share units ("PSUs") tied to performance metrics, whereas in 2025 and 2026, LTIP awards have been 70% PSUs tied to performance metrics and 30% restricted stock units ("RSUs") that vest based on service. RSU awards are tied to safety performance because the value of the RSUs depends on stock price, which in turn depends on Company performance, including safety performance. Moreover, shifting some LTIP awards to RSUs was necessary to promote retention. PG&E notes that, prior to 2025, it had been an outlier, in that the other major investor-owned utilities (“IOUs”) in California included RSUs in their incentive compensation plans, whereas PG&E did not. The change in 2025 better aligns PG&E to market, and promotes PG&E’s ability to attract and retain the executive talent that is necessary to ensure continued safe operations. PG&E also notes that, regardless, its weighting of safety in both its STIP and its LTIP vastly exceeds the weighting of safety by the other large IOUs (based on their 2025 submissions to Energy Safety); indeed, the other large IOUs did not include safety metrics in their 2025 LTIP programs *at all*.

Energy Safety’s approval of PG&E’s 2025 executive compensation structure also stated: “Energy Safety recommends that PG&E’s board include executive engagement with frontline workers in safety discussions as a component of its executive compensation structure. Energy Safety further recommends that the incentive(s) use performance measures, rather than input measures, such as number of engagements, as input metrics are poor predictors of cultural performance.” Energy Safety went on to say: “PG&E must incorporate the recommendations listed above or identify why it cannot do so in its 2026 Executive Compensation Structure submission.” PG&E will consider this recommendation as part of the 2027 design as the recommendation was received just three days before the start of 2026 – very late in the development process of the 2026 incentives – and did not provide the time needed for appropriate due diligence.

If PG&E can provide any additional information that would be helpful as Energy Safety considers this approval request, please do not hesitate to contact Wade Greenacre at wade.greenacre@pge.com.

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Executive Vice President, Chief People Officer
Pacific Gas and Electric Company

1.1 Incentive Compensation Components

Instructions: In Table 1.1.1, for each executive officer subject to the executive compensation filing requirements, the electrical corporation must provide the executive title and function, the executive name (if the executive is classified as an Officer of the Company per the Company's website), the target percentage of Short-Term Incentives (STIP) and Long-Term Incentives (LTIP) as a proportion of Total Incentive Compensation (TIC) for the appropriate filing year. See the definition of the proceeding terms in Attachment 2.

For the purpose of calculating the percentage of TIC, use the grant value of the compensation as determined for accounting purposes. Grant value is the value that is disclosed in proxy statement summary compensation tables for executive officers who are proxy officers. Percentages must be specified for each executive officer and not a range for various position levels.

Table 1.1.1
Incentive Compensation at the Target Level

Executive Title/ Function and Name (where applicable)[1]	Target Quarterly STIP as a Percent of TIC[2]	Target Annual STIP as a Percent of TIC	Target Total STIP as a Percent of TIC	Target LTIP as a Percent of TIC
EVP, Enterprise Transformation Office, Marlene Santos	N/A	[redacted]	[redacted]	[redacted]
CEO, PG&E, & EVP, Energy Delivery, Sumeet Singh	N/A	[redacted]	[redacted]	[redacted]
EVP, General Counsel, Chief Ethics & Compliance Officer and Corporate Secretary, John Simon	N/A	[redacted]	[redacted]	[redacted]
EVP, Strategy and Growth, Jason Glickman	N/A	[redacted]	[redacted]	[redacted]
EVP, Chief People Officer, Alejandro Vallejo	N/A	[redacted]	[redacted]	[redacted]
EVP and Chief Information Officer, Ajay Waghray	N/A	[redacted]	[redacted]	[redacted]
VP, Controller, Utility CFO, Stephanie Williams	N/A	[redacted]	[redacted]	[redacted]

[1] Effective January 1, 2026, Sumeet Singh, was named CEO, Pacific Gas and Electric Company and Executive Vice President, Energy Delivery, overseeing Operations, Enterprise Service Delivery and Engineering.
[2] STIP awards are calculated and paid on an annual basis. There are no quarterly STIP awards.

Instructions: In Table 1.1.2, for each executive officer subject to the executive compensation filing requirements, the electrical corporation must provide the executive title and function, the executive name (if the executive is classified as an Officer of the Company per the Company's website), the target percentage of Base Salary, STIP and LTIP as a proportion of Total Direct Compensation (TDC) for the appropriate filing year. See the definition of the proceeding terms in Attachment 2.

Table 1.1.2
Total Direct Compensation at the Target Level[3]

Executive Title/ Function and Name (where applicable)	Target Base Salary as a Percent of TDC	Target Quarterly STIP as a Percent of TDC	Target Annual STIP as a Percent of TDC	Target LTIP as a Percent of TDC
EVP, Enterprise Transformation Office, Marlene Santos	[redacted]	N/A	[redacted]	[redacted]
CEO, PG&E, & EVP, Energy Delivery, Sumeet Singh	[redacted]	N/A	[redacted]	[redacted]
EVP, General Counsel, Chief Ethics & Compliance Officer and Corporate Secretary, John Simon	[redacted]	N/A	[redacted]	[redacted]
EVP, Strategy and Growth, Jason Glickman	[redacted]	N/A	[redacted]	[redacted]
EVP, Chief People Officer, Alejandro Vallejo	[redacted]	N/A	[redacted]	[redacted]
EVP and Chief Information Officer, Ajay Waghray	[redacted]	N/A	[redacted]	[redacted]
VP, Controller, Utility CFO, Stephanie Williams	[redacted]	N/A	[redacted]	[redacted]

[3] Numbers in this table are rounded and may not add to 100%.

Instructions: In Table 1.1.3, for each executive officer subject to the executive compensation filing requirements, provide the target percentages of quarterly STIP, annual STIP, and LTIP as a percentage of base salary for the appropriate filing year.

Table 1.1.3
Target Incentive Compensation as a Percent of Base Salary

Executive Title/ Function and Name (where applicable)	Target Quarterly STIP as a Percent of Base Salary	Target Annual STIP as a Percent of Base Salary	Target LTIP as a Percent of Base Salary
EVP, Enterprise Transformation Office, Marlene Santos	N/A	[redacted]	[redacted]
CEO, PG&E, & EVP, Energy Delivery, Sumeet Singh	N/A	[redacted]	[redacted]
EVP, General Counsel, Chief Ethics & Compliance Officer and Corporate Secretary, John Simon	N/A	[redacted]	[redacted]
EVP, Strategy and Growth, Jason Glickman	N/A	[redacted]	[redacted]
EVP, Chief People Officer, Alejandro Vallejo	N/A	[redacted]	[redacted]
EVP and Chief Information Officer, Ajay Waghray	N/A	[redacted]	[redacted]
VP, Controller, Utility CFO, Stephanie Williams	N/A	[redacted]	[redacted]

1.2 Executive Officer Exclusion Rationale

Instructions: For the purpose of completing Table 1.2.1, the electrical corporation must include all the positions of the highest three tiers of the executives or officers of the electrical corporation that do not fit within the definition of "executive officers" as defined in Public Utilities Code section 451.5(c). For those positions, the electrical corporation must provide an explanation regarding why the executives holding those positions are not considered "executive officers" as set forth in Public Utilities Code section 451.5(c). 2

The electrical corporation must include all positions within a tier in the table.

Table 1.2.1
Public Utilities Code Section 451.5(c) Exclusion Rationales

Executive Title / Role	Exclusion Reason
SVP, Enterprise Service Delivery	This individual does not perform policy making functions.
SVP, Electric Engineering	This individual does not perform policy making functions.
SVP, Enterprise Technology Modernization	This individual does not perform policy making functions.
SVP & Chief Nuclear Officer	This individual does not perform policy making functions.
SVP, Local Customer & Community Engagement & Chief Sustainability Officer	This individual does not perform policy making functions.
SVP, Chief Security Officer & Chief Data & Analytics Officer	This individual does not perform policy making functions.
SVP, Chief Safety Officer, Wildfire, Emergency and Operations	This individual does not perform policy making functions.
SVP, Finance & Corporate Development	This individual does not perform policy making functions.
SVP, Talent, Culture & People	This individual does not perform policy making functions.
SVP and Chief Risk Officer	This individual does not perform policy making functions.
SVP, Chief Delivery Officer, Electric T&D	This individual does not perform policy making functions.
SVP, Enterprise Platforms & Infrastructure	This individual does not perform policy making functions.
SVP, Government Affairs	This individual does not perform policy making functions.
SVP and Chief Commercial Officer	This individual does not perform policy making functions.
SVP and Chief Customer Officer	This individual does not perform policy making functions.
SVP, Chief Delivery Officer, Gas T&D	This individual does not perform policy making functions.

1. Definition of policy making:

The electrical corporation must explain how the electrical corporation defines policy making for purposes of the inclusion or exclusion of personnel pursuant to Public Utilities Code section 451.5(c) (i.e., what constitutes policy making):

For purposes of determining who is and is not included in the definition of "executive officer" in Public Utilities Code § 451.5(c), PG&E generally defines "policy making" to connote significant authority to both formulate and implement policy decisions. In this context, "policy making" goes beyond discussing and influencing company strategy and policy, and instead generally also requires significant responsibility for policy decisions and, in many cases, direct accountability to the Utility's Board of Directors. The determination regarding whether an officer engages in "policy making" requires inquiry into an officer's specific duties and responsibilities and cannot be determined based on title alone.

1.3 Short-Term Incentive Program (STIP)

Instructions: The STIP includes all performance-based compensation awarded on a performance term of less than three years. If the electrical corporation uses more than one short-term incentive mechanism, the electrical corporation must repeat this information for each mechanism (e.g., quarterly, and annually).

1.3.7 STIP Structure

Instructions: The electrical corporation must provide the requested STIP information regarding payment type, triggers, deductions, the use of individual performance modifiers, the use of company performance modifiers, the use of thresholds, targets, and maximums and the associated percentages, and how performance between categories is interpolated.

1. STIP Payment Type. Check one for the current year:

Cash: ☒ Other: ☐

If other, describe the other type of STIP payment:

N/A

2. Use of Any Performance Triggers

a) Does the electrical corporation's STIP for the current year use any non-discretionary performance triggers (e.g., must achieve certain annual earnings per share before any STIP payments are made)? Check one:

Yes: ☐ No: ☒

If "Yes," describe any performance triggers:

N/A

b) If this changed from the prior year, explain the reason for the change:

N/A

3. Use of Any Automatic, Non-Discretionary Deductions

a) Does the electrical corporation's STIP for the current year include any automatic non-discretionary deductions (e.g., failure to achieve WMP targets results in X% reduction, catastrophic wildfire results in zeroing out all safety metrics)? Check one:

Yes: ☒ No: ☐

If "Yes," describe all automatic, non-discretionary deductions:

The following two metrics include non-discretionary performance triggers: The **Weather Normalized CPUC Reportable Fire Ignition Rate** metric will be zeroed out in the event of ignitions meeting either of the following criteria: (1) ignitions that result in fires that cause a third-party, coworker, or contract partner fatality; or (2) ignitions that result in fires that damage or destroy > 500 structures. The **Serious Injury Actual Count** metric will be zeroed out in the event of a coworker or contractor (all) fatality other than those associated with an ignition from PG&E equipment, or in the event of a public fatality due to an asset failure.

b) If this changed from the prior year, explain the reason for the change:

N/A

4. Use of Any Specifically Defined Discretionary Deductions

a) Does the electrical corporation's STIP for the current year include any defined deductions (e.g., foundational, deduct only goals) that are part of the compensation structure? Check one:

Yes: ☐ No: ☒

If "Yes," describe all specific/defined discretionary deductions that are part of the structure:

N/A

b) If this changed from the prior year, explain the reason for the change:

N/A

5. Use of a Performance Range – previous year

a) Were the STIP payouts for the previous year based on a performance range (i.e., below minimum/threshold, minimum/threshold, target, maximum)? Check one:

Yes: ☒ No: ☐

b) Did the electrical corporation use one range for all previous year's STIP metrics or differing ranges based on the category of metric? Check one:

One range for all metrics: ☒ Multiple ranges: ☐

If multiple ranges are used, explain why:

N/A

Provide the previous year's STIP metric performance range(s):

Table 1.3.1
Previous Year STIP Metric Performance Range(s)

	Below Minimum	Minimum	Target	Maximum
Weather Normalized CPUC Reportable Fire Ignitions Rate	0%	50%	100%	200%
Quality Pass Rate	0%	50%	100%	200%
Gas Dig-In Rate	0%	50%	100%	200%
DCPP Reliability and Safety Indicator	0%	50%	100%	200%
Safe Dam Operating Capacity	0%	50%	100%	200%
Serious Injury Actual Count	0%	50%	100%	200%
CEMI-5	0%	50%	100%	200%
Customer Transaction Score	0%	50%	100%	200%
Operating Cash Flow	0%	50%	100%	200%
Non-GAAP Core Earnings per Share (EPS)	0%	50%	100%	200%

c) Describe the interpolation method between categories (e.g., straight line)

The interpolation method used is straight line.

6. Use of a Performance Range – Current Year

a) Do the STIP payouts for the current year include a performance range (i.e., below minimum/threshold, minimum/threshold, target, maximum)? Check one:

Yes: ☒ No: ☐

b) Is the electrical corporation using one range for all current year's STIP metrics or differing ranges based on the category of metric)? Check one:

One range for all metrics: ☒ Multiple ranges: ☐

If multiple ranges are used, explain why:

N/A

Provide the current year's STIP metric performance range(s):

Table 1.3.2
Current Year STIP Metric Performance Range(s)

	Below Minimum	Minimum	Target	Maximum
Weather Normalized CPUC Reportable Fire Ignitions Rate	0%	50%	100%	200%
Quality Pass Rate	0%	50%	100%	200%
Total Gas Dig-In Rate	0%	50%	100%	200%
DCPP Reliability and Safety Indicator	0%	50%	100%	200%
Safe Dam Operating Capacity	0%	50%	100%	200%
Serious Injury Actual Count	0%	50%	100%	200%
CEMI-5	0%	50%	100%	200%
Customer Transaction Score	0%	50%	100%	200%
Operating Cash Flow	0%	50%	100%	200%
Non-GAAP Core Earnings per Share	0%	50%	100%	200%

c) Describe the interpolation method between categories:

The interpolation method used is straight line.

d) Did the performance range change for any metrics from the previous year to the current year? Check one:

Yes: ☐ No: ☒

If "Yes," describe and quantify the change for each such metric, and explain the reason for the change:

N/A

7. Use of Performance Modifiers – Previous Year Actual

a) Did the electrical corporation's STIP for the previous year involve the use of any of the following types of performance modifiers?

Individual Performance Modifier – Previous Year, check one:

Yes: ☒ No: ☐

If "Yes," describe each performance modifiers:

Potential adjustment to STIP payment based on individual performance results. Payment could be as low as zero and as much as 20% above the certified score, not to exceed 200% of overall STIP target for any one participant.

If "Yes," quantify for each executive their individual performance modifiers:

Table 1.3.3
Individual Performance Modifiers – Previous Year Actual

Executive Title/ Function and Name (where applicable)	Increase/ Decrease	Percentage Change	Factors in/ Reason for Adjustment (1)
EVP, Enterprise Transformation Office, Marlene Santos	[redacted]	[redacted]	[redacted]
CEO, PG&E, & EVP, Energy Delivery, Sumeet Singh	[redacted]	[redacted]	[redacted]
EVP, General Counsel, Chief Ethics & Compliance Officer and Corporate Secretary, John Simon	[redacted]	[redacted]	[redacted]
EVP, Strategy and Growth, Jason Glickman	[redacted]	[redacted]	[redacted]
EVP, Chief People Officer, Alejandro Vallejo	[redacted]	[redacted]	[redacted]
EVP and Chief Information Officer, Ajay Waghray	[redacted]	[redacted]	[redacted]
VP, Controller, Utility CFO, Stephanie Williams	[redacted]	[redacted]	[redacted]

(1) Providing the broad category for the 'Factors in/Reasons for the Adjustment' column is sufficient when those reasons are not safety related (e.g., Other Non-Safety Related, Superior Financial Performance, etc.). If the reason for an adjustment is safety and/or WMP related then the reason provided must be specific (e.g., failure to achieve covered conductor installation WMP targets).

b) Did the electrical corporation's STIP for the previous year involve the use of any of the following types of performance modifiers?

Company Performance Modifier – Previous Year, check one:

Yes: ☐ No: ☒

If "Yes," describe and quantify the impact of the company performance modifier:

N/A

Board Discretion, check one:

Yes: ☐ No: ☒

If "Yes," describe and quantify the impact of the company performance modifier:

N/A

1.3.2 Previous Year STIP Metrics – Minimum, Target, Maximum and Actual

Instructions: Complete Table 1.3.4 for the previous year's STIP metrics, adding rows as necessary. See Attachment 3 for a discussion of categories and sub-categories.

Table 1.3.4
Previous Year STIP – Minimum, Target, and Maximum Versus Actual

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Actual Performance	Weighted Contribution
Wildfire Safety	Wildfire Mitigation	Weather Normalized CPUC Reportable Fire Ignitions Rate	Lagging, Outcome-Based Indicator	25%	1.75	1.16	0.56	1.1	0.275
Wildfire Safety	Wildfire Mitigation	Vegetation Management Quality Control (VMQC) Distribution (component of Quality Pass Rate)	Leading & Lagging Indicators	5%	95.00%	97.38%	99.33%	99.24%	0.198
Wildfire Safety	Wildfire Mitigation	Vegetation Management Quality Control (VMQC) Pole Clearing (component of Quality Pass Rate)	Leading & Lagging Indicators	5%	No threshold	95.00%	96.90%	99.45%	
Subtotal				**35%**					**0.473**

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Actual Performance	Weighted Contribution
Other Safety	Emergency Response	Gas Dig-In Rate	Lagging, Outcome-Based Indicator	5%	1.13	1.08	1.03	0.84	0.100
Other Safety	Public Safety – Generation	DCPP Reliability and Safety Indicator	Leading and Lagging, Outcome-Based Indicator	5%	95.0	97.5	100.0	100.0	0.100
Other Safety	Public Safety – Generation	Safe Dam Operating Capacity (SDOC)	Leading and Lagging, Outcome-Based Indicator	5%	97.0%	97.5%	98.0%	98.1%	0.100
Other Safety	Workforce Safety	Serious Injury Actual Count	Lagging, Outcome-Based Indicator	10%	5	4	3	4	0.000
Subtotal				**25%**					**0.300**
Customer Service	N/A	CEMI-5	Lagging, Outcome-Based Indicator	5%	516,834	506,497	490,992	420,005	0.100
Customer Service	N/A	Customer Transaction Score	Lagging, Outcome-Based Indicator	5%	7.3	7.5	7.7	7.4	0.038
Subtotal				**10%**					**0.138**
Financial	N/A	Operating Cash Flow	Lagging, Outcome-Based Indicator	10%	$7,905M	$9,300M	$10,695M	$8,716M	0.400
Financial	N/A	Non-GAAP Core Earnings per Share (EPS)	Lagging, Outcome-Based Indicator	20%	$1.460	$1.480	$1.500	$1.500	0.079
Subtotal				**30%**					**0.479**
Total				**100%**					**1.390**

1.3.3 Current Year STIP Metrics – Minimum, Target, and Maximum

Instructions: The electrical corporation must complete Table 1.3.5 for the current year's STIP. The electrical corporation must provide details of the STIP metrics and minimum, target and maximum performance values for the filing year. The electrical corporation must categorize wildfire safety metrics separately (with no other metrics) and must include a weighting. The electrical corporation may add additional rows as needed.

Table 1.3.5
Current Year STIP Metrics

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Weighted Contribution[4]
Wildfire Safety	Wildfire Mitigation	Weather Normalized CPUC Reportable Fire Ignitions Rate	Lagging, Outcome-Based Indicator	25%	1.75	1.15	0.56	N/A
Wildfire Safety	Wildfire Mitigation	Vegetation Management Quality Control (VMQC) Pole Clearing (component of Quality Pass Rate)	Leading & Lagging Indicators	5%	95.0%	98.5%	99.5%	N/A
Wildfire Safety	Wildfire Mitigation	Vegetation Management Quality Control (VMQC) Pole Clearing (component of Quality Pass Rate)	Leading & Lagging Indicators	5%	95.0%	99.0%	99.6%	N/A
Subtotal Wildfire Safety				**35%**				
Other Safety	Emergency Response	Gas Dig-In Rate	Lagging, Outcome-Based Indicator	5%	1.00	0.98	0.96	N/A

[4] Weighted Contributions for the 2026 STIP will not be available until the end of the plan year.

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Weighted Contribution[4]
Other Safety	Public Safety – Generation	DCPP Reliability and Safety Indicator	Leading and Lagging, Outcome-Based Indicator	5%	90.0	93.8	100.0	N/A
Other Safety	Public Safety – Generation	Safe Dam Operating Capacity (SDOC)	Leading and Lagging, Outcome-Based Indicator	5%	97.4%	97.8%	98.2%	N/A
Other Safety	Workforce Safety	Serious Injury Actual Count	Lagging, Outcome-Based Indicator	10%	4	3	2	N/A
Subtotal Other Safety				**25%**				
Customer Service	N/A	CEMI-5	Lagging, Outcome-Based Indicator	5%	516,683	468,000	403,884	N/A
Customer Service	N/A	Customer Transaction Score	Lagging, Outcome-Based Indicator	5%	7.4	7.7	7.8	N/A
Subtotal Customer Service				**10%**				
Financial	N/A	Operating Cash Flow	Lagging, Outcome-Based Indicator	10%	[redacted]	[redacted]	[redacted]	N/A
Financial	N/A	Non-GAAP Core Earnings per Share (EPS)	Lagging, Outcome-Based Indicator	20%	[redacted]	[redacted]	[redacted]	N/A
Subtotal Financial				**30%**				
Total				**100%**				

1.3.4 Current Year STIP Metric Definition and Calculation

Instructions: The electrical corporation must provide definitions, whether the metric is leading, lagging or outcome, and calculations for the current year's STIP metrics. For each metric, the electrical corporation must provide a definition of the metric, any adjustments or exclusions, the basis for the definition and the actual calculation such that if Energy Safety requested the source data/inputs, the electrical corporation would be able to derive the reported results. The electrical corporation must provide an explanation of any adjustments or exclusions.

Table 1.3.6
Current Year STIP – Metric Definitions and Calculation

Measure/ Metric	Definition	Calculation Methodology	Any Adjustment/ Exclusions	Alignment with WMP Metrics
Weather Normalized CPUC Reportable Fire Ignitions Rate	This metric measures the rate of Distribution and Transmission ignition incidents occurring in high-risk weather conditions normalized by 100,000 circuit miles and meeting the criteria below. The metric is reported as a YTD indicator for a rolling 365-day period or rolling 366-day period in a leap year. • Occur within PG&E's High Fire Threat District (HFTD) and High Fire Risk Area (HFRA) • Occur in high-risk weather conditions defined as meeting the criteria of Fire Potential Index (FPI) of R3, R4, R5 & R5+ reportable to the CPUC per Decision 14-02-015. A reportable fire incident includes	Count of CPUC Reportable Ignitions in HFTD or HFRA occurring in high-risk weather conditions multiplied by 100,000 divided by cumulative count of circuit miles in Fire Index Areas exposed to high-risk weather conditions, calculated for a rolling 365-day period (or 366-day period in a leap year).	• Fire ignition incidents occurring outside of HFTD or HFRA • Fire ignitions incidents not meeting the CPUC reportable criteria Fire Ignitions occurring in FPI R1 and R2 conditions • Fire ignitions occurring in Zone 1 of HFTD are excluded per Energy Safety's Guidance on Compliance with Energy Safety Notifications Regulations, November 4, 2021	Yes. 2026-2028 Base WMP Vol. 1 R3 Weather-Normalized CPUC-Reportable Fire Ignitions Rate in R3+ Conditions (Rolling 365 days). (1) The metric focuses on ignitions occurring in elevated wildfire risk conditions as measured by the FPI of R3 and above; historical ignitions occurring in R3+ conditions result in the most consequential fires; (2) The rolling metric addresses the issue of considerable swings during

Measure/ Metric	Definition	Calculation Methodology	Any Adjustment/ Exclusions	Alignment with WMP Metrics
	all the following: 1) Ignition is associated with PG&E's electric assets, 2) something other than PG&E facilities burned, and 3) the resulting fire travelled more than one meter from the ignition point. If during the reporting period a PG&E-attributable ignition occurs meeting either criterion below, the EOY STIP score for this metric will be reported as 0: 1. Ignitions that result in fires that cause a third-party, coworker or a contract partner fatality OR 2. Ignitions that result in fires that damage or destroy > 500 structures			the first half of the year when the number of R3 days is low (often 0).
Quality Pass Rate (QPR)	This metric consists of two equally weighted components that track the quality of two core Wildfire Mitigation Inspection programs: Vegetation Management Quality Control (VMQC) 1. Distribution percentage 2. Pole Clearing percentage	For each component of the index, a separate percentage is calculated by comparing the percentage of QPR to the Threshold (0.5), Target (1.0), and Maximum (2.0) targets set for each	Distribution audits exclude: • VMQC completed prior to 1/1/2026 or after 12/31/2026 • Inspections performed outside of HFTD/HFRA or Buffer Zones • Aerial/Drone Inspections • Quality Control of other VM programs outside of	Yes. 2026-2028 Base WMP Vol. 1 R3 Quality Assurance and Quality Control (Vegetation Management) • Vegetation Management Quality Control -– Distribution

Measure/ Metric	Definition	Calculation Methodology	Any Adjustment/ Exclusions	Alignment with WMP Metrics
		core program. Pass Rate equals total inspected units minus total failed units divided by total inspected units, expressed as a percentage.	Distribution Routine Pre-Inspection (PI) and Tree Trim (TT), i.e., CEMA or Second Patrol, Mid-cycle, Transmission work, Veg Control Pole Clearing, and Focused Reviews • Underground Inspections • Observational findings • Locations with constraints (e.g., "Review not possible" due to accessibility, customer refusal, weather, safety, etc.) Pole Clearing audits exclude: • VMQC completed prior to 1/1/2026 or after 12/31/2026 • Inspections performed outside of HFTD/HFRA or Buffer Zone • Quality Control of other VM programs outside of Routine Veg Control Pole Clearing and Focused Reviews. • Pole Test and Treat Inspections • Observational findings	Routine - VM-22D – 95% Pass Rate Target • Vegetation Management Quality Control -– Pole Clearing - VM-22P - 95% Pass Rate Target

Measure/ Metric	Definition	Calculation Methodology	Any Adjustment/ Exclusions	Alignment with WMP Metrics
			• Locations with constraints (e.g., "Review not possible" due to accessibility, customer refusal, weather, safety, etc.)	
Gas Dig-In Rate	Number of dig-ins to PG&E gas subsurface installations per 1,000 Underground Service Alert ("USA") tickets received. The dig-in component tracks all gas dig-ins to PG&E gas subsurface installations. A dig-in refers to damage that occurs during excavation activities (impact or exposure) and that results in repair or replacement of an underground gas facility.	Number of dig-ins to PG&E gas subsurface installations per 1,000 USA tickets received minus PG&E-generated Pole Test and Treat USA tickets. Units are cumulative year-to-date and results are formatted to two decimal points; STIP score is formatted to three decimal points. In cases of comparative fault (joint liability), the dig-in is conservatively counted in the PG&E At-Fault portion.	• This metric does not include PG&E dig-ins to third parties (e.g., sewer, water, telco). Fiber dig-ins are also excluded from the dig-in count. Also excluded from the dig-in count are the following: ○ Damages to above-ground infrastructures. Such as meters and risers, or overbuilds ○ Pre-existing damages (e.g., due to corrosion or old wrap). • Any intentional damage to a pipeline (e.g., drilling or cutting). • Damage caused by driving over a covered facility (heavy vehicles damage gas pipe, non-excavation). • Damage to abandoned facilities.	No. Included because the metric supports the achievement of safety-related performance outcomes.

Measure/ Metric	Definition	Calculation Methodology	Any Adjustment/ Exclusions	Alignment with WMP Metrics
			• Damage due to materials failure (e.g., Aldyl-A pipe). • Damage caused to gas or electric lines by trench collapse or soldering work. • Fully exposed facilities where damage was not due to excavation • Damage deemed unavoidable (e.g., tree root embedded gas line)	
DCPP Reliability and Safety Indicator	The year-end combined average score for Unit 1 and Unit 2 at DCPP, representing a composite of 13 performance indicators for nuclear power generation developed by the nuclear industry and applied to worldwide nuclear power plants. Indicator performance periods range from 1 month to 12 months, and the maximum number of points is 100.	Each unit composite score is rounded to one decimal point. The composite score for each unit is the weighted average of the 13 performance indicator scores. The metric result is the average of the two composite unit scores, rounded to one decimal point.	None.	No. Included because the metric supports the achievement of safety-related performance outcomes.
Safe Dam Operating Capacity (SDOC)	Measure of operating capability of mechanical equipment used as the main control to reduce the enterprise risk of a large uncontrolled water release.	SDOC is calculated as one minus the ratio of controlled outlet days forced out ("CODFO") to	Passive equipment and features, such as passive spillways, tripable flashboards, and siphons and components whose safety	No. Included because the metric supports the achievement of

Measure/ Metric	Definition	Calculation Methodology	Any Adjustment/ Exclusions	Alignment with WMP Metrics
		controlled outlet days available ("CODA") for the metric dam population. In other words, SDOC = 1 – (CODFO ÷ CODA).	functions have been fully mitigated.	safety-related performance outcomes.
Serious Injury Actual Count	A high-energy injury from work at / for PG&E that results in any of the following to employees, contractors, or directly supervised contractors: • A life-threatening injury that required immediate life-preserving action that if not applied immediately would likely have resulted in the death of that person; • A life-altering injury or illness that resulted in a permanent and significant loss of a major body part or organ function. • A life-ending injury. • Metric includes motor vehicle incidents (MVIs) and Contractors performing work for PG&E. Count will include # of individuals with serious injuries.	Count of injuries meeting metric definition. Score will go to zero: 1. In the event of a coworker or contractor (all) fatality other than those associated with an ignition from PG&E equipment. 2. In the event of a public fatality due to an asset failure. Serious Injury Actuals are tracked and reported in CAP as High Energy SIF, and data is run on business day 6 for STIP reporting.	• SIF Potential incidents • Intentional Acts of Violence or Sabotage • Fatality associated with an ignition from PG&E equipment	No. Included because the metric supports the achievement of safety-related performance outcomes.

Measure/ Metric	Definition	Calculation Methodology	Any Adjustment/ Exclusions	Alignment with WMP Metrics
CEMI-5	CEMI-5 customers experiencing five or more sustained service interruptions (planned or unplanned) in a calendar year.	Total number of customers experiencing five or more sustained interruptions reported in a calendar year.	• 2.5 Beta Major Event Days based on Standard 1366 of the Institute of Electrical and Electronics Engineers. • Generation/Independent System Operator outages (rotating outages). • Secondary and service-level outages (not reported in the Integrated Logging Information System database) • Non-restorable customers	No. Included because the metric supports the achievement of customer-related performance outcomes.
Customer Transaction Score (CTS)	Customer satisfaction with PG&E interactions through email and web-based post-transaction surveys.	The score is based on a weighted average of the mean score for survey programs for the question: "Overall, how satisfied were you with your [recent transactional] experience?"	• Customers with an email opt-out match in the survey preference database, which contains opt-outs from surveys and marketing emails. There are defined sampling and business rules applied to each survey type. • CTS is a unique metric in that it utilizes real time survey data. In instances where PG&E cannot issue surveys as planned, recovery is executed as quickly as possible. If PG&E is unable to recover survey	No. Included because the metric supports the achievement of customer-related performance outcomes.

Measure/ Metric	Definition	Calculation Methodology	Any Adjustment/ Exclusions	Alignment with WMP Metrics
			data those surveys are excluded from reporting.	
Operating Cash Flow	Operating Cash Flow (OCF) measures PG&E's cash flows from normal operations. This Key Performance Indicator will align with the consolidated GAAP financial statements.	OCF is an externally reported line item (net cash provided by (used in) operating activities) reported in the PG&E Corporation Consolidated Statement of Cash Flows as part of PG&E's quarterly SEC filing process.	Potential exclusions will be monitored throughout the year, reserved for items that are considered outside of PG&E's control, and raised to the Compensation Committee for consideration. Examples include tax regulatory reform, recovery of energy costs materially impacted by market factors, and delays in receiving funds from the Federal or State government (such as the Civil Nuclear Credit Program funds associated with Diablo extended operations).	No. Included because the metric supports the achievement of financial-related performance outcomes.
Non-GAAP Core Earnings per Share (EPS)	A non-GAAP measure of financial performance from ongoing core operations, in dollars per share.	GAAP earnings less non-core charges in dollars, divided by diluted shares (if core earnings are positive) or basic shares (if core earnings are negative).	Non-GAAP Core Earnings Per Share excludes non-core charges that represent revenues or expenses associated with events or circumstances not considered representative of ongoing operations.	No. Included because the metric supports the achievement of financial-related performance outcomes.

1.3.5 STIP Changes

Instructions: The electrical corporation must describe any changes from the previous year to the current year in terms of STIP eligibility, structure, modifiers, metrics (including changes to minimum/threshold, target, and maximum performance values), weightings and definitions. The electrical corporation must explain the reason for the change(s).

All metrics were carried forward from 2025 to 2026. The threshold, target, and maximum performance milestones were updated to reflect 2026 workplans, which consider, but are not limited to, the following factors: external commitments, benchmarks, and forecasted weather conditions.

Changes to metrics in the 2026 STIP reflect ongoing exercises of business judgment on the part of the PG&E Corporation People and Compensation Committee regarding how best to align compensation incentives with PG&E's operational priorities – including safety, customer welfare, and financial stability – in a dynamic and evolving operating environment.

Changes to metrics for 2026 STIP include:

- **New Metrics:**
    - None
- **Metrics removed:**
    - None
- **Definition or scope change:**
    - Gas Dig-In
        - Calculation Methodology updated to add reporting precision, cumulative year-to-date format, PT&T ticket treatment, and comparative-fault convention.
    - DCPP Reliability
        - Definition changed from 10 to 13 indicators, shifted from U.S. nuclear plants to worldwide nuclear power plants, and added point maximum.
        - Calculation Methodology expanded from generic industry-standard methodology to unit-level weighted averaging and rounding rules.
    - Serious Injury Actual Count
        - Definition update to add life-ending injury and remove illness.
        - Calculation Methodology adds CAP tracking and business-day 6 reporting timing.
    - CEMI-5
        - Definition and Calculation Methodology YTD changed to Calendar Year.
        - Adjustments/Exclusions removed momentary outages.

1.3.6 Historical STIP Data

Instructions: The electrical corporation must provide historical performance data for Current Year's STIP metrics. If data is lacking, or should be considered in a certain context, explain in the Notes/Context field provided why there is no data for a given year(s) and the relevant context. The electrical corporation must provide historical STIP data for any newly added metric in the current performance period. The electrical corporation may add rows as necessary.

Table 1.3.7
STIP Metric Historical Actual Performance

Metric/Measure	2021	2022	2023	2024	2025
Weather Normalized CPUC Reportable Fire Ignitions Rate	1.93	1.01	0.93	1.41	1.10
Quality Pass Rate – VMQC Distribution	87.93%	91.34%	86.09%	97.38%	99.24%
Quality Pass Rate – VMQC Pole Clearing	91.74%	90.26%	85.88%	88.30%	99.45%
Gas Dig-In Rate	0.98	0.94	1.01	1.00	0.84
DCPP R&S Indicator	92.5	96.0	100.0	100.0	100.00
Safe Dam Operating Capacity	99.75%	96.9%	98.5%	98.0%	98.1%
Serious Injury Actual Count	3	4	2	7	4
CEMI-5	N/A	469,476	440,886	524,552	420,005
Customer Transaction Score	N/A	N/A	7.10	7.30	7.40
Operating Cash Flow	$2,262M	$3,721M	$4,747M	$8,035M	$8,716M
Non-GAAP Core Earnings per Share	$1.08	$1.10	$1.23	$1.36	$1.50

Notes/Context:

Weather Normalized CPUC Reportable Fire Ignitions Rate was first included as a STIP metric for the 2024 plan year. While this is a newer metric, PG&E has been tracking this data and has included the historical performance in table 1.3.7.

The Quality Pass Rate criteria were updated for the 2025 plan year. While this is a revised metric definition, PG&E has been tracking this data and has included historical performance in table 1.3.7.

The Serious Injury Actual Count metric was included as a STIP metric for the 2024 plan year. While this is a newer metric, PG&E has been tracking this data and has included historical performance in table 1.3.7.

The CEMI-5 metric was first included as a STIP metric for the 2022 plan year. No comparable data for the years 2020 to 2021 is available.

Customer Transaction Score was first included as a STIP metrics for the 2025 plan year. While this is a newer metric, PG&E has been tracking this data and has included the historical performance in table 1.3.7.

1.3.7 Previous Year STIP Adjustments

Introductions: The electrical corporation must provide an explanation of any increases and decreases in STIP compensation in the previous year due to failure to meet safety or other targets. The electrical corporation must separately describe any adjustments to STIP compensation levels made by the Compensation Committee or executive management and the amount and reason for the reduction. The electrical corporation must detail any adjustments made to increase compensation beyond the levels warranted by the actual performance (in any metric classification) and the reasons for the adjustments.

1. **Actual performance lower than target due to failure to meet safety target(s):**

The following safety metrics performed below threshold resulting in zero payout: **Serious Injury Actual Count** year-end results were 4.0 compared to a target of 4.0. However consistent with the definition of the Serious Injury Actual Count metric, the score of this metric is zero due to a contractor fatality and a public fatality that occurred during 2025.

2. **Actual performance lower than target due to failure to meet other target(s):**

N/A

3. **Any deductions due to failure to meet "foundational goals":**

N/A

4. **Any deductions due to failure to meet earnings targets or thresholds:**

N/A

5. **Any additional deductions, or upward adjustments, to individual metrics or overall performance payout made by executive management, the Compensation Committee, or full Board of Directors:**

Serious Injury Actual Count consistent with the metric definition, as noted the table 1.3.6, due to a contractor fatality and a public fatality that occurred during 2025, this metric resulted in a score of zero.

1.3.8 Historical STIP Adjustments

Instructions: In Table 1.3.8 the electrical corporation must provide details of all downward adjustments to STIP compensation, including both formula-based reductions and negative discretionary reductions, by any decision-making body, including but not limited to the Board of Directors, Compensation Committee, or executive management, for the past five years, including reductions due to failure to meet safety or other performance targets. The information should be provided for individual metric adjustments and for the STIP as a whole. The electrical corporation must clearly identify whether each adjustment was formula-based or a negative discretionary reduction and separately describe any discretionary deductions to STIP compensation levels made by any decision-making body, including but not limited to the Board of Directors, Compensation Committee, or executive management, and the amount and reason for the reduction for the past five years.

A formula-based reduction is a decrease in STIP compensation that results directly from pre-established performance metrics and scoring methodologies. In other words, the payout is automatically reduced based on the approved formula when performance outcomes fall below established targets.

A negative discretionary reduction is a downward adjustment applied after the formula- based results have been calculated. This type of reduction reflects the judgment of any decision-making body, including but not limited to the Board of Directors, Compensation Committee, or executive management, and is typically based on qualitative considerations, specific events, or performance factors not fully captured in the formula.

Table 1.3.8

Historical STIP Reductions for Individual Metrics and Total STIP Award

Year	STIP Deductions for Safety, Wildfire Resiliency, and Other metrics	Provide a summary breakdown showing how the total point deductions are allocated across each STIP metric
2025	0.10 Deduction	Serious Injury Actual Count was at target, but the score was reduced to 0 due to a contractor fatality and a public fatality. • Serious Injury Actual Count: the actual rate was 4.0, compared to the target of 4.0 and threshold of 5.0.
2024	0.40 Deduction	Weather Normalized CPUC Reportable Fire Ignitions Rate, PMVI Rate, and Serious Injury Actual Count metrics were below the thresholds, resulting in scores of zero. • Weather Normalized CPUC Reportable Fire Ignitions Rate: the actual rate was 1.41, compared to a target of 0.9 and threshold of 0.95. • PMVI Rate: year-end results were 2.38 compared to a target of 2.25 and threshold of 2.34. • Serious Injury Actual Count: the actual rate was 7.0 compared to a target of 1.0 and threshold of 2.0. CEMI-5 and CEMI-10: – the PG&E Corporation People and Compensation Committee elected to exercise downward discretion resulting in an average reduction of 3.6% in STIP payments.
2023	0.0632 Deduction	Non-Fatal SIF Rate metric was below the threshold, resulting in score of zero. • Non-Fatal SIF Actuals: adjusted to zero as a result of two fatalities during the year. CEMI-5 and CEMI-10: the composite rate was 0.976, which was between the target value of 1.0 and threshold of 0.500. Electric 911 Emergency Response: the actual rate was 97.23%, which was between the target of 98.30% and threshold of 97.19%.[5]

[5] Due to an inadvertent omission, PG&E did not report the deduction in its 2024 ECSS filing. PG&E provides this information in this filing for completeness and transparency of the record.

Year	STIP Deductions for Safety, Wildfire Resiliency, and Other metrics	Provide a summary breakdown showing how the total point deductions are allocated across each STIP metric
2022	0.065 Deduction	Non-Fatal SIF Actual Count metric was below the thresholds, resulting in scores of zero. • Non-Fatal SIF Actual Count: the actual rate was 4.0, compared to the target of 1.0 and threshold of 2.0. Quality Pass Rate: the actual rate was 0.85, compared to the target of 1.0 and threshold of 0.50. CEMI-5 and CEMI-10 the composite rate was 0.850, which was between the target value of 1.0 and threshold of 0.50.
2021	0.13 Deduction	Wires Down Events Due to Equipment Failure and Customers Experiencing Multiple Interruptions were below the thresholds, resulting in scores on zero. • Wires Down Events Due to Equipment Failure: the actual rate was 2.550, compared to the target of 2.161 and threshold of 2.215. • Customers Experiencing Multiple Interruptions: the actual rate was 4.13%, compared to the target of 2.63% and threshold of 2.71%. Wildfire Risk Reduction: the rate was 3, compared to the target of 2 and threshold of 4. Days Away, Restricted and Transfer Rate: The rate was 1.01, compared to the target of 0.91 and threshold of 1.18. Please also refer to (i) PG&E's Tier 1 Advice Letter compliance filing on July 8, 2022 (Advice 4630-G/6642-E) for information about discretionary adjustments to payouts in 2022 of 2021 STIP awards; and (ii) PG&E's Tier 1 Advice Letter compliance filing on April 9, 2021 (Advice 4419-G/6157-E) for information about discretionary adjustments in 2021 to payouts of 2020 STIP awards.

Instructions: In Table 1.3.9, the electrical corporation must detail any adjustments made to increase or decrease compensation beyond the levels warranted by the actual performance (in any metric classification) and the reasons for the adjustments for the past five years.

Table 1.3.9
Historical STIP Discretionary Adjustments (Increases) for Individual Metrics and/or Total STIP Award

Year	Amount of any Discretionary Increase to Earned STIP Metric Value or Total STIP Award	Detailed Description/Explanation
2025	N/A	N/A
2024	N/A	N/A
2023	N/A	N/A
2022	N/A	N/A
2021	N/A	N/A

1.3.9 Current Year STIP Metric Ties to Other Metrics

Instructions: For each metric included in the STIP for the current year, all electrical corporations must indicate whether the metric is tied to its WMP (and the associated initiative number) and whether the metric is similar in nature to SPM metrics (and the associated SPM number). PG&E must also indicate whether the metric is similar in nature to SOM metrics (and the associated SOM number). For metrics similar in nature to a SOM, PG&E must explain any differences between its calculation of that metric and the required SOM method of calculation of that metric. All other electrical corporations must also indicate whether each metric included in the STIP for the current year is similar in nature to SOM metrics and to explain any differences between its calculation of that metric and SOM method of calculation of the metric.

Table 1.3.10
Current Year STIP Ties to WMP, SPMs, and SOMs

Executive Compensation Structure Submission STIP Measure/ Metric	Related to WMP Yes/ No	Related to WMP Initiative Number	Similar to SPM Yes/ No	Similar to SPM SPM Number	Similar to SOM Yes/ No	Similar to SOM SOM Number	Description of Computational/ Definitional Differences
Weather Normalized CPUC Reportable Fire Ignitions Rate	Yes	WMP	Yes	2	Yes	3.13-3.16	The STIP metric is calculated as a rate, whereas the SOMs are calculated as counts of ignitions. Please refer to Table 1.3.6 above for more information.
Quality Pass Rate	Yes	VM-22P VM-22D	No	N/A	No	N/A	N/A
Total Gas Dig-In Rate	No	N/A	Yes	5	Yes	4.1	The STIP metric measures all dig-ins per PG&E tickets (less Pole Test & Treat Tickets) received from all parties (i.e., 1st, 2nd and 3rd parties) (subject to exclusions noted above).
DCPP Reliability and Safety Indicator	No	N/A	No	N/A	No	N/A	N/A

Executive Compensation Structure Submission STIP Measure/ Metric	Related to WMP Yes/ No	Related to WMP Initiative Number	Similar to SPM Yes/ No	Similar to SPM SPM Number	Similar to SOM Yes/ No	Similar to SOM SOM Number	Description of Computational/ Definitional Differences
Safe Dam Operating Capacity	No	N/A	No	N/A	No	N/A	N/A
Serious Injury Actual Count	No	N/A	Yes	15 16	Yes	1.1 1.2	The STIP metric is calculated as a count, whereas the SOMs and SPMs are calculated as rates. The STIP count excludes fatalities, but the score will go to zero in the event of certain fatalities as described in Table 1.3.6 above.
CEMI-5	No	N/A	No	N/A	No	N/A	N/A
Customer Transaction Score	No	N/A	No	N/A	No	N/A	N/A
Operating Cash Flow	No	N/A	No	N/A	No	N/A	N/A
Non-GAAP Core Earnings per Share	No	N/A	No	N/A	No	N/A	N/A

1.4 Long-Term Incentive Program (LTIP)

Instructions: The LTIP includes all performance-based compensation awarded on a performance term of three or more years. If the electrical corporation uses more than one long-term incentive mechanism, the electrical corporation must repeat this information for each mechanism (e.g., three-year, four-year).

1.4.1 LTIP General Eligibility

Instructions: The electrical corporation must include the LTIP target percentage of base salary for each executive officer in the filing. The electrical corporation must describe any changes in LTIP eligibility from the prior period. The electrical corporation may add additional rows as needed.

Table 1.4.1
LTIP General Eligibility and Executive Officer Targets

Executive Title/Function	LTIP Target Percentage of Base Salary
Employees and executive officers at the Director and higher level are eligible to participate in the LTIP program.	
EVP, Enterprise Transformation Office, Marlene Santos	[redacted]
CEO, PG&E, & EVP, Energy Delivery, Sumeet Singh	[redacted]
EVP, General Counsel, Chief Ethics & Compliance Officer and Corporate Secretary, John Simon	[redacted]
EVP, Strategy and Growth, Jason Glickman	[redacted]
EVP, Chief People Officer, Alex Vallejo	[redacted]
EVP and Chief Information Officer, Ajay Waghray	[redacted]
VP, Controller, Utility CFO, Stephanie Williams	[redacted]

1.4.2 Current Year LTIP Structure – Award Type, Weighting, Measures and Vesting Period

Instructions: Complete Table 1.4.2 for the current year's LTIP. For each LTIP award type, indicate the weighting, the measures/basis for the award, and the vesting period. If the award types or bases of the awards differ between positions or persons, the electrical corporation must copy Table 1.4.2 as necessary and indicate who the table applies to in space provided at the top of the table.

Table 1.4.2
Current Year LTIP Structure - Award Type, Weighting, Measures, and Vesting Period

Executive Title/ Function and Name: All Executive Officers			
LTI Type	Weight	Measures	Vesting
Stock Grant	N/A	N/A	N/A
Stock Option	N/A	N/A	N/A
RSU	30%	Value depends on stock price	3-Year Ratably
PSU/ PRSU	70%	40% Public Safety, equally weighted between System Hardening Risk Reduction and Electric Corrective Maintenance in HFRA 25% Customer Experience (SAIDI) 35% Financial (rTSR)	3-Year Cliff
Cash	N/A	N/A	N/A
Other	N/A	N/A	N/A
Weighting Total:	100%		

If other LTIP vehicles are used for current LTIP, please describe:

N/A

1. Is any LTIP compensation not at risk?

Yes: ☐ No: ☒

Describe/Explain whether answering either Yes or No:

Performance share units which make up 70% of the total value awarded under the LTIP for PG&E executive officers are an at-risk component of compensation that are performance-based and tied to metrics. Restricted stock units are also at-risk and performance-based because they have time-based vesting and their value depends on stock price performance, which in turn depends on company performance (including safety and financial performance).

2. Provide the current year LTIP metric performance range(s):

Table 1.4.2
LTIP Metric Performance Range(s) for the Current Year

	Below Minimum	Minimum	Target	Maximum
System Hardening (SH) Risk Reduction	0%	50%	100%	200%
Electric Corrective (EC) Maintenance in HFRA	0%	0%	100%	200%
System Average Interruption Duration Index (SAIDI)	0%	50%	100%	200%
Relative TSR	0%	50%	100%	200%

Describe the interpolation method between categories (e.g., straight line):

Straight line interpolation

3. Use of Any Performance Triggers

Does the electrical corporation's LTIP awards in the current year use any performance triggers (e.g., must achieve annual earnings per share of at least XYZ before any LTIP payments are made)? Check one:

Yes: ☐ No: ☒

If "Yes," describe any performance triggers:

N/A

4. Use of Any Automatic, Non-Discretionary Deductions

Does the electrical corporation's LTIP for the performance period starting in the current year include any automatic, non-discretionary deductions (e.g., failure to achieve WMP targets results in X% reduction, catastrophic wildfire results in zeroing out all safety metrics)? Check one:

Yes: ☒ No: ☐

If "Yes," describe all automatic, non-discretionary deductions:

System Hardening Risk Reduction metric requires that the final, regulator-approved Wildfire Mitigation Plan (WMP) targeted Overall Utility Risk (OUR) Reduction from System Hardening work ("Reg Target") be achieved or exceeded, in alignment with the 2027 General Rate Case (GRC) and/or Electrical Undergrounding Plan (EUP). The Electric Corrective Maintenance in HFRA requires that PG&E meet requirements for EC notification closure as approved in the 2026-2028 WMP, commitment performance as of end of 2027. If the condition is not met, the LTIP score will be zero.

5. Use of Any Specifically Defined Discretionary Deductions

Does the electrical corporation's current year LTIP include any potential discretionary deductions that are part of the structure? Check one:

Yes: ☐ No: ☒

If "Yes," describe all specific/defined discretionary deductions that are part of the structure:

N/A

6. Changes in the LTIP Structure, Performance Ranges, Performance Triggers, Discretionary or Non-Discretionary Deductions

Were there any changes from the previous year to the current year in the LTIP weighting, performance ranges, performance triggers, discretionary deductions or non-discretionary deductions? Check one:

Yes: ☐ No: ☒

If "Yes," describe the changes and the reason for each change:

N/A

1.4.3 Current LTIP Measures, Definitions and Calculations

Instructions: The electrical corporation must provide definitions and calculations for the current year LTIP metrics. For each metric, the electrical corporation must provide a definition of the measure/metric, any adjustments or exclusions, the basis for the definition and the actual calculation methodology such that if Energy Safety requested the source data/ inputs, Energy Safety would be able to derive the reported results. The electrical corporation must also provide the weight given to the metric and the minimum, target, and maximum values for the metric.

Table 1.4.3
Current Year LTIP Measures

Measure/Metric	Definition	Calculation Methodology	Any Adjustment/ Exclusions	Weight	Min.	Target	Max.
System Hardening (SH) Risk Reduction	This metric requires that the final, regulator-approved Wildfire Mitigation Plan (WMP) targeted Overall Utility Risk (OUR) Reduction from System Hardening work ("Reg Target") be achieved or exceeded, in alignment with the 2027 General Rate Case (GRC) and/or Electrical Undergrounding Plan (EUP). The OUR reduction calculation includes Wildfire Risk, Public Safety Power Shutoff (PSPS) Risk, and Enhanced Powerline Safety Settings (EPSS) Risk. The targeted risk reduction has been forecasted for each of the three System Hardening initiatives per table below. This metric includes the combined risk reduction delivered by all three. OUR Reduction targets have been proposed in the '26 – '28 WMP but are	Overall Utility Risk Reduction (Wildfire Risk (WDRM v4) + PSPS Reliability Risk + EPSS Reliability Risk) eliminated through System Hardening work as defined in the three WMP initiatives noted (GH-04, GH-12 & GH-14).	Projects completed prior to 01/01/2026 or after 12/31/2028. System Hardening work performed outside of High Fire Threat Districts (HFTD) / High Fire Threat Areas (HFRA). Community	20%	Regulatory Target	Regulatory Target + 3%	Regulatory Target +10%

Measure/Metric	Definition	Calculation Methodology	Any Adjustment/ Exclusions	Weight	Min.	Target	Max.
	subject to modification during the WMP approval process, including via a Petition to Amend or a WMP Annual Update to align with funding & mileage levels approved in the 2027 General Rate Case (GRC) and/or Electric Undergrounding Plan (EUP). The OUR reduction target for this metric will align to the final, approved risk reduction as established in the 2026-2028 WMP, 2027 GRC and EUP (if applicable to 2026-2028). Targets for 2027 and 2028 will be available as regulatory guidance on program mileage and funding levels is confirmed, which is expected to extend into at least 2027 (per the current GRC schedule). Reasonable efforts will be made to adopt any change in the OUR Reduction target at least 6 months before the end of the measurement period and before attainment of the target is reasonably ascertainable, to avoid federal and state surtaxes on deferred performance-based compensation.		Rebuild Undergrounding work (which is tracked separately).				
Electric Corrective (EC) Maintenance in HFRA	Electric Corrective (EC) maintenance requires that the Wildfire Mitigation Plan (WMP) open tag reduction percentage goal be achieved as a threshold. If the WMP committed volume percentage	Cumulative Risk Points associated with closed tags / Total Backlog	• Non-HFTD Electric Correctives	20%	-	96%	98%

Measure/Metric	Definition	Calculation Methodology	Any Adjustment/ Exclusions	Weight	Min.	Target	Max.
	reduction are not completed then the LTIP score will be 0. Once the volume reduction percentage threshold is achieved then the score is determined by the % of backlog risk completed on HFTD EC notifications as defined in the 2023-2025 WMP defined backlog. Condition 1: Meet Wildfire Mitigation Plan (WMP) as approved*, to mitigate HFTD Tag backlog units for the applicable years. Once condition 1 is met, metric measured as percent of backlog completed on EC notifications as defined in the 2023-2025 WMP Revision Notice 06. The SAP Notification Status of cancel (CNCL), complete (COMP), and notification complete (NOCO) will be counted as completed as these denote closing notifications and mitigating risk. *Note that targets in the WMP are subject to Change Orders, including in cases where other regulatory processes, including the GRC or other filings, may result in changes to our approved, funded work plan. The Condition 1	Risk Points as defined in the 2023 WMP.	• Underground Electric Correctives • Transmission units				

Measure/Metric	Definition	Calculation Methodology	Any Adjustment/ Exclusions	Weight	Min.	Target	Max.
	volume target will align with WMP volume targets including in cases where the WMP target is formally revised through a submitted and approved Change Order.						
System Average Interruption Duration Index (SAIDI)	System Average Interruption Duration Index (SAIDI) is defined as the average duration of sustained interruption per customer excluding planned outages and Public Safety Power Shutdown (PSPS).	Sum of total customer minutes due to unplanned outages, excluding outages due to PSPS events / total PG&E system customers. Metric will be measured by three-year average performance from 2026-2028.	Exclusions consist of 2.5 Beta major event days (MEDs) based on the IEEE Standard 1366 (also referred to as the "2.5 Beta Method"), planned outages, and Public Safety Power Shutoff outages.	25%	220	178	152
Relative TSR	Relative TSR is a lagging metric measuring the rate of return to a shareholder during the relevant 3-year performance period. Historical and projected calendar year performance reflects 3-year cumulative performance (e.g., 2026 grant = based on 2026-2028	Share price performance stock price change (EPS growth + P/E multiple	N/A	35%	25th	50th	90th

Measure/Metric	Definition	Calculation Methodology	Any Adjustment/ Exclusions	Weight	Min.	Target	Max.
	performance). Metric includes PG&E stock price gains and common dividends, expressed as a percentile rank relative to TSRs of comparator group companies. TSR performance is measured using an average of closing prices for 20 trading days immediately prior to the beginning and end of the performance period. Beginning and ending prices are adjusted using a return factor which takes into consideration reinvestment of dividends.	change) + dividend yield.					

1. Changes in LTIP measures

Were there any changes from the previous year in the LTIP measures, definitions, calculation methodology, or performance goals in the current year? Check one:

Yes: ☒ No: ☐

If "Yes," describe the changes and the reason for each change:

SH Risk Reduction metric changed from SH Effectiveness, previously measuring where work was performed (HRA miles) to measuring the risk reduction achieved by the work. This aligns the LTIP metric with the current WMP regulatory framework and overall utility risk reduction objectives. EC Maintenance in HFRA added an exclusion for underground electric correctives and clarified notification status treatment and alignment to revised WMP commitments. SAIDI was revised to measure unplanned outages only, excluding planned outages and PSPS events. Uses IEEE 1366-aligned methodology and is measured based on the three-year average performance from 2026-2028.

1.4.4 Performance Share Unit Metric Actual Performance

Instructions: The electrical corporation must provide historical performance data for the PSU metrics for LTIP awards that vested in the previous year. If the PSU metric results for the performance period are based on annual, rather than cumulative data for the period, provide the annual data and the calculated performance period results, as shown in Example 2 in the table below. If data is lacking, or should be considered in a certain context, the electrical corporation must explain in the Notes/Context field following the table. The electrical corporation may add rows as necessary.

Table 1.4.5

Minimum, Target and Maximum Performance versus Actual Performance for PSUs that Vested in Previous Year

Performance Period	Measure/Metric	Weight	Below Min	Min	Target	Max	Actual	Performance Multiplier	Weighted Contribution
2023 to 2025	System Hardening Effectiveness	0.2	0	0.8	0.84	0.88	0.972	2	0.4
2023 to 2025	Electric corrective maintenance in HFRA	0.2	0	0.69	0.77	0.85	0.9044	2	0.4
2023 to 2025	System average interruption duration index (SAIDI)	0.25	0	245.6	238.2	230.8	223.7	2	0.5
2023 to 2025	Relative TSR	0.35	0	25th Percentile	50th Percentile	90th Percentile	3.8th Percentile	0	0

Notes/Context:

N/A

1.4.5 Historical LTIP Data

Instructions: The electrical corporation must provide historical performance data for the LTIP metrics that vested in each of the prior five years. Include data for metrics currently in place, as well as the metrics used in previous performance periods. If data is lacking, or should be considered in a certain context, the electrical corporation must explain in the Notes/Context field provided why there is no data for a given year(s) and the relevant context. The electrical corporation may add rows as necessary.

Table 1.4.6
LTIP Metric Historical Actual Performance Over Performance Period

Metric/Measure	Vesting Year				
	2021	2022	2023	2024	2025
System Hardening Effectiveness	N/A	N/A	95%	95%	97%
Electric corrective maintenance in HFRA	N/A	N/A	52%	74%	90%
System average interruption duration index (SAIDI)	218.7	261.0	283.5	276.7	223.7
Relative TSR	4th percentile	100th percentile	100th percentile	100th percentile	3.8th percentile

Notes/Context:

N/A

1.4.6 LTIP Adjustments for Performance Period Ending in Previous Year

Instructions: The electrical corporation must provide an explanation of any increases and decreases in LTIP compensation for the LTIP components that vested in the previous year due to failing to meet safety or other targets. The electrical corporation must separately describe any adjustments to LTIP compensation levels made by the Compensation Committee or executive management and the amount and reason for the reduction. The electrical corporation must detail any adjustments made to increase compensation beyond the levels warranted by the corporation's actual performance (in any metric classification) and the reasons for the adjustments.

1. **Actual performance lower than target due to failure to meet safety target(s):**

No

2. **Actual performance lower than target due to failure to meet other (non-safety) target(s):**

Yes, Relative TSR did not meet threshold

3. **Any additional deductions, or upward adjustments, made by any decision- making body, including but not limited to the Board of Directors, Compensation Committee, or executive management, and the reason for each adjustment:**

No

1.4.7 Historical LTIP Adjustments

Instructions: In Table 1.4.7 the electrical corporation must provide details of all downward adjustments to LTIP compensation, including both formula-based reductions and negative discretionary reductions, by any decision-making body, including but not limited to the Board of Directors, Compensation Committee, or executive management, for the past five years, including reductions due to failure to meet safety or other targets. The information should be provided for individual metric adjustments and for the LTIP as a whole. The electrical corporation must separately describe any discretionary deductions to LTIP compensation levels made by any decision-making body, including but not limited to the Board of Directors, Compensation Committee, or executive management, and the amount and reason for the reduction for the past five years.

A formula-based reduction is a decrease in LTIP compensation that results directly from pre- established performance metrics and scoring methodologies. In other words, the payout is automatically reduced based on the approved formula when performance outcomes fall below established targets.

A negative discretionary reduction is a downward adjustment applied after the formula- based results have been calculated. This type of reduction reflects the judgment made by any decision-making body, including but not limited to the Board of Directors, Compensation Committee, or executive management, and is typically based on qualitative considerations, specific events, or performance factors not fully captured in the formula.

Table 1.4.7
Historical LTIP Reductions

Year	LTIP Deduction for Executive Officers Due to Unmet Safety, Wildfire Resiliency, and Other Goals	Provide a summary breakdown showing how the total point deductions are allocated across each unmet goal
2026	N/A	N/A
2025	N/A	N/A
2024	N/A	N/A
2023	N/A	N/A
2022	N/A	N/A
2021	N/A	Please refer to PG&E's Tier 1 Advice Letter compliance filing on April 9, 2021 (Advice 4419-G/6157-E) for information about discretionary adjustments in 2021 to payouts of LTIP awards granted in 2018 following a three-year performance period ending in December 2020.

1.4.8 Actuals for LTIPs with a Performance Period Ending in the Previous Year or Vesting in the Previous Year

Instructions: For any LTIP awards with a performance period that ended in the previous year which vested in either the previous year or in the current year, provide details of projected and actual payouts/performance. For any LTIP awards with earlier performance periods that vested in the previous year provide the same information.

For the purpose of calculating the grant value as a percentage of TIC, the electrical corporation must use the grant value of the compensation as determined for accounting purposes. Grant value is the value that is disclosed in proxy statement summary compensation tables for executive officers who are proxy officers. For purposes of calculating Earned Value as a percentage of TIC, the electrical corporation must use the value at the date of vesting. The electrical corporation must specify the percentages for each executive officer and not a range for various position levels. The electrical corporation must provide a table for each executive officer. The electrical corporation may make copies of Table 1.4.8 as necessary.

Table 1.4.8
LTIP Programs with a Performance Period Ending in the Previous Year or that Vested in the Previous Year

EVP, Enterprise Transformation Office, Marlene Santos								
LTIP Program Name	**Performance Measure**	**Target Value as % of TIC**	**Grant Date**	**Stock Price at Grant Date**	**Grant Date Fair Value as a % of TIC**	**Vesting Date**	**Stock Price at Vesting Date**	**Earned Value as a % of TIC at Vesting Date**
PSU	Safety and customer	100%	3/1/2022	$11.30	63%	3/1/2025	$16.34	33%
PSU	Relative TSR	28%	3/1/2022	$13.59	11%	3/1/2025	$16.34	17%
PSU	Safety and customer	[redacted]	3/1/2023	$15.61	46%	3/1/2026	$19.00	[redacted]

Table 1.4.8
LTIP Programs with a Performance Period Ending in the Previous Year or that Vested in the Previous Year (continued)

CEO, PG&E, & EVP, Energy Delivery Sumeet Singh								
LTIP Program Name	**Performance Measure**	**Target Value as % of TIC**	**Grant Date**	**Stock Price at Grant Date**	**Grant Date Fair Value as a % of TIC**	**Vesting Date**	**Stock Price at Vesting Date**	**Earned Value as a % of TIC at Vesting Date**
PSU	Safety and customer	67%	3/1/2022	$11.30	63%	3/1/2025	$16.34	22%
PSU	Relative TSR	19%	3/1/2022	$13.59	11%	3/1/2025	$16.34	11%
PSU	Safety and customer	[redacted]	3/1/2023	$15.61	47%	3/1/2026	$19.00	[redacted]

Table 1.4.8
LTIP Programs with a Performance Period Ending in the Previous Year or that Vested in the Previous Year (continued)

EVP, General Counsel, Chief Ethics & Compliance Officer and Corporate Secretary, John Simon

LTIP Program Name	Performance Measure	Target Value as % of TIC	Grant Date	Stock Price at Grant Date	Grant Date Fair Value as a % of TIC	Vesting Date	Stock Price at Vesting Date	Earned Value as a % of TIC at Vesting Date
PSU	Safety and customer	96%	3/1/2022	$11.30	60%	3/1/2025	$16.34	32%
PSU	Relative TSR	27%	3/1/2022	$13.59	11%	3/1/2025	$16.34	16%
PSU	Safety and customer	[redacted]	3/1/2023	$15.61	45%	3/1/2026	$19.00	[redacted]

Table 1.4.8
LTIP Programs with a Performance Period Ending in the Previous Year or that Vested in the Previous Year (continued)

EVP, Strategy and Growth, Jason Glickman

LTIP Program Name	Performance Measure	Target Value as % of TIC	Grant Date	Stock Price at Grant Date	Grant Date Fair Value as a % of TIC	Vesting Date	Stock Price at Vesting Date	Earned Value as a % of TIC at Vesting Date
PSU	Safety and customer	99%	3/1/2022	$11.30	62%	3/1/2025	$16.34	33%
PSU	Relative TSR	28%	3/1/2022	$13.59	11%	3/1/2025	$16.34	16%
PSU	Safety and customer	[redacted]	3/1/2023	$15.61	46%	3/1/2026	$19.00	[redacted]

Table 1.4.8
LTIP Programs with a Performance Period Ending in the Previous Year or that Vested in the Previous Year (continued)

EVP, Chief People Officer, Alejandro Vallejo								
LTIP Program Name	**Performance Measure**	**Target Value as % of TIC**	**Grant Date**	**Stock Price at Grant Date**	**Grant Date Fair Value as a % of TIC**	**Vesting Date**	**Stock Price at Vesting Date**	**Earned Value as a % of TIC at Vesting Date**
PSU	Safety and customer	[redacted]	3/1/2022	$11.30	[redacted]	3/1/2025	$16.34	[redacted]
PSU	Relative TSR	[redacted]	3/1/2022	$13.59	[redacted]	3/1/2025	$16.34	[redacted]
PSU	Safety and customer	[redacted]	3/1/2023	$15.61	[redacted]	3/1/2026	$19.00	[redacted]

Table 1.4.8
LTIP Programs with a Performance Period Ending in the Previous Year or that Vested in the Previous Year (continued)

EVP and Chief Information Officer, Ajay Waghray								
LTIP Program Name	**Performance Measure**	**Target Value as % of TIC**	**Grant Date**	**Stock Price at Grant Date**	**Grant Date Fair Value as a % of TIC**	**Vesting Date**	**Stock Price at Vesting Date**	**Earned Value as a % of TIC at Vesting Date**
PSU	Safety and customer	[redacted]	3/1/2022	$11.30	[redacted]	3/1/2025	$16.34	[redacted]
PSU	Relative TSR	[redacted]	3/1/2022	$13.59	[redacted]	3/1/2025	$16.34	[redacted]
PSU	Safety and customer	[redacted]	3/1/2023	$15.61	[redacted]	3/1/2026	$19.00	[redacted]

Table 1.4.8
LTIP Programs with a Performance Period Ending in the Previous Year or that Vested in the Previous Year (continued)

VP, Controller, Utility CFO, Stephanie Williams								
LTIP Program Name	**Performance Measure**	**Target Value as % of TIC**	**Grant Date**	**Stock Price at Grant Date**	**Grant Date Fair Value as a % of TIC**	**Vesting Date**	**Stock Price at Vesting Date**	**Earned Value as a % of TIC at Vesting Date**
PSU	Safety and customer	42%	3/1/2022	$11.30	36%	3/1/2025	$16.34	14%
PSU	Relative TSR	12%	3/1/2022	$13.59	6%	3/1/2025	$16.34	7%
PSU	Safety and customer	[redacted]	3/1/2023	$15.61	43%	3/1/2026	$19.00	[redacted]

1. **Please explain the calculation methodology to determine the projected percent of TIC at grant date:**

The grant date value of the award is divided by the sum of the target short-term incentive and total GDFV of the long-term award. For the 2022 PSUs with a relative TSR measure, the fair value of awards are measured at the grant date using a Monte Carlo simulation valuation model.

2. **Please explain the calculation methodology to determine the actual percent of TIC at vesting date:**

The vesting date value of the award (shares awarded x stock price) is divided by the sum of the target short-term incentive and total GDFV of the long-term award.

1.5 Catastrophic Wildfire History

Instructions: In Table 1.5.1, for each year in which the electrical corporation caused a catastrophic fire that resulted in one or more fatalities, the electrical corporation must provide the name of the catastrophic fire or fires that occurred that year, and for each executive officer, the percentage of the Total Incentive Compensation (TIC) awarded in that year compared to the target TIC, and the percentage of the Total Compensation (TC) awarded in that year compared to the target TC. The electrical corporation may use the Notes/Context field to provide additional narrative information for a catastrophic wildfire that supplements or provides context for the information entered in the Detailed Description/Explanation field. Any additional information provided must include an explanation of why the information is relevant to the information presented in the Detailed Description/Explanation field.

For purposes of calculating the percentage of TC, use the grant value of the compensation as determined for accounting purposes. Grant value is the value that is disclosed in proxy statement summary compensation tables for executive officers who are proxy officers.

Percentages must be specified for each executive officer and not a range for various position levels.

Table 1.5.1
Catastrophic Wildfire Incentive History

Wildfire Year	Executive Title/ Function	Catastrophic Wildfire(s)	TIC Awarded as a Percent of Target	TC Awarded as a Percent of Target	Detailed Description/Explanation
2026	N/A	None	N/A	N/A	N/A
2025	N/A	None	N/A	N/A	N/A
2024	N/A	None	N/A	N/A	N/A
2023	N/A	None	N/A	N/A	N/A
2022	N/A	None	N/A	N/A	N/A
2021	EVP and Chief Customer Officer	Dixie Fire	85.1%	94%	• LTIP awards were not granted to executive officers in 2019 on account of PG&E's then-pending Chapter 11 proceedings, and accordingly, there was no LTIP performance period ending in 2021 • See comments below for additional information.
2021	EVP, Operations and Chief Operating Officer	Dixie Fire	85.1%	93%	• LTIP awards were not granted to executive officers in 2019 on account of PG&E's then-pending Chapter 11 proceedings, and accordingly, there was no LTIP performance period ending in 2021 • See comments below for additional information.

Wildfire Year	Executive Title/ Function	Catastrophic Wildfire(s)	TIC Awarded as a Percent of Target	TC Awarded as a Percent of Target	Detailed Description/Explanation
2021	EVP, Engineering, Planning and Strategy	Dixie Fire	85.1%	95%	• LTIP awards were not granted to executive officers in 2019 on account of PG&E's then-pending Chapter 11 proceedings, and accordingly, there was no LTIP performance period ending in 2021. • See comments below for additional information.
2021	EVP, Chief Risk Officer and Chief Safety Officer	Dixie Fire	85.1%	96%	• LTIP awards were not granted to executive officers in 2019 on account of PG&E's then-pending Chapter 11 proceedings, and accordingly, there was no LTIP performance period ending in 2021. • See comments below for additional information.
2021	EVP, People, Shared Services and Supply Chain	Dixie Fire	85.1%	95%	• LTIP awards were not granted to executive officers in 2019 on account of PG&E's then-pending Chapter 11 proceedings, and accordingly, there was no LTIP performance period ending in 2021. • See comments below for additional information.
2021	VP, Controller and Utility Chief Financial Officer	Dixie Fire	111.1%	104%	• LTIP awards were not granted to executive officers in 2019 on account of PG&E's then-pending Chapter 11 proceedings, and accordingly, there was no LTIP performance period ending in 2021 • See comments below for additional information.

Notes/Context:

For 2021:

In February 2022, the PG&E Corporation People and Compensation Committee considered whether to exercise its discretion to materially reduce executive officer incentive compensation payouts for the 2021 STIP performance year and the LTIP's three-year performance period ending in December 2023 (as no LTIP was granted in 2019 and therefore no LTIP was "awarded" in 2022). The Committee considered with management the totality of circumstances over the course of 2021, including but not limited to the possibility that PG&E assets were the ignition source of the Dixie, Blue and Fly fires, PG&E's overall public and workforce safety (which included three fatalities from contractor workforces and one public fatality), and PG&E's entry into Step 1 of the Commission's Enhanced Oversight and Enforcement Process in connection with its risk prioritization of vegetation management work. The Committee also considered available facts about the Dixie Fire, and the extent to which facts about the Dixie Fire were not yet fully available and/or were subject to ongoing review and discovery.

The Committee determined to exercise its discretion to reduce short-term incentive compensation paid in 2022 to all eligible employees by 25% for the 2021 STIP performance year. In addition, the short-term incentive payment was further reduced for all PG&E executive officers (Executive Vice Presidents and Above), which resulted in a reduction of short-term incentive compensation by an average of 40% from the otherwise applicable results for executive officers. Please see additional information about this calculation in the 2022 Joint Proxy, beginning at the bottom of page 50.

At the time the Board elected to exercise this negative discretion, the Board did not make any determination that a presumption of withholding of a material portion of executive officer incentive compensation pursuant to D.20-05-053 should apply, or that the factual predicates for any such presumption existed. Nevertheless, the Board intended that, to the extent such withholding was required by D.20-05-053, such reduction in STIP payouts shall satisfy, in part, such requirement.

The Committee also recognized that LTIP performance share awards for 2021 would not be paid out, as applicable, until after December 31, 2023 (the end of the three-year performance period for performance shares granted in 2021). The Committee considered that an adjustment to such performance share payouts could be used to satisfy D.20-05-053's requirement to withhold a "material portion" of executive officer incentive compensation (if applicable). The Committee recognized that it had the ability and discretion at any time prior to such payouts to determine that reducing such payouts would be appropriate, or, alternatively, would not be appropriate. The Committee determined to address the issues after appropriate factual reviews regarding the Dixie Fire were complete (or such other time as the Committee determined in its discretion), and prior to PG&E making 2021 performance share payouts to PG&E executive officers.

Public Utilities Code Section 8389(a)(6)(A): 1.6-1.7

Electrical corporations with new or amended contracts, plans, or arrangements, whether written or unwritten, for executive officers must comply with the requirements of Public Utilities Code section 8389(a)(6)(A).[6]

Applicability of Public Utilities Code Section 8389(a)(6)(A)

As previously noted, all electrical corporation executive compensation structure submissions must be consistent with the definitions provided in Attachment 2 of the Guidelines

Subsection Requirements for Public Utilities Code Section 8389(a)(6)(A)

Electrical corporations' executive compensation structures must meet the principles of Public Utilities Code section 8389(a)(6)(A):

- Public Utilities Code section 8389(a)(6)(A)(i)(I) requires electrical corporations with new or amended contracts, plans, or arrangements, whether written or unwritten, for executive officers be based on the principle of "strict limits on guaranteed cash compensation, with the primary portion of the executive officers' compensation based on achievement of objective performance metrics."
  - For the purposes of compliance with Public Utilities Code section 8389(a)(6)(A)(i)(I), the electrical corporations must demonstrate that greater than 50 percent of each executive officer's total direct compensation, at the target performance level, is based on the achievement of objective performance metrics.
- Public Utilities Code section 8389(a)(6)(A)(iii) requires electrical corporations' new or amended contracts, plans, or arrangements, whether written or unwritten, for executive officers be based on the principle of including a "long-term structure that provides a significant portion of compensation, which may take the form of grants of the electrical corporation's stock, based on the electrical corporation's long-term performance and value." Additionally, this "compensation shall be held or deferred for a period of at least three years."
  - For purposes of compliance with Public Utilities Code section 8389(a)(6)(A)(iii), the electrical corporations must demonstrate that each executive officer's total direct long-term compensation at the target performance level is a significant portion of that executive officer's total direct compensation. See the definition of Long-Term Incentive Program in Attachment 2 to determine whether compensation is "delayed three or more years."
- Public Utilities Code section 8389(a)(6)(A)(iv) requires electrical corporations' new or amended contracts, plans, or arrangements, whether written or unwritten, for executive officers be based on the principle of "minimization or elimination of indirect or ancillary compensation that is not aligned with shareholder and taxpayer interest in the electrical corporation." For the purposes of compliance with Public Utilities Code section 8389(a)(6)(A)(iii) the electrical corporations must demonstrate that total indirect and ancillary compensation that is not aligned with shareholder and taxpayer interest

[6] Public Utilities Code section 8389(a)(6)(A): https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=PUC&sectionNum=8389, (accessed March 27, 2026).

in the electrical corporation is minimized.

- To aid Energy Safety in assessing compliance with Public Utilities Code section 8389(a)(6)(A), electrical corporations must complete 1.6-1.7 below for new or amended contracts, plans, or arrangements, whether written or unwritten, for all executive officers as defined in Public Utilities Code section 451.5(c).

1.6 Fixed versus Incentive Compensation

Instructions: In Table 1.6.1, for each executive officer, the electrical corporation must provide the executive title and function, the executive name (if the executive is classified as an Officer of the Company per the Company's website), the target percentage of Base Salary, Short-Term Incentives (STIP), Long-Term Incentives (LTIP), and Indirect and Ancillary Compensation as a proportion of Total Compensation (TC) for the appropriate filing year. See the definition of the proceeding terms in Attachment 2.

Exclude all pension plans, whether qualified or non-qualified from Table 1.6.1. The total indirect and ancillary service costs reported in Table 1.6.1 must reconcile with the corresponding values in Table 1.7.1.

For purposes of calculating the percentage of TC, use the grant value of the compensation as determined for accounting purposes. Grant value is the value that is disclosed in proxy statement summary compensation tables for executive officers who are proxy officers. Percentages must be specified for each executive officer and not a range for various position levels.

Table 1.6.1
Fixed versus Incentive Compensation at the Target Level[7]

Executive Title/ Function and Name (where applicable)	Target Base Salary as a Percent of TC	Target Annual STIP as a Percent of TC	Target Quarterly STIP as a Percent of TC	Target LTIP as a Percent of TC	Indirect and Ancillary Compensation as a Percent of TC
EVP, Enterprise Transformation Office, Marlene Santos	[redacted]	[redacted]	N/A	[redacted]	[redacted]
CEO, PG&E, & EVP, Energy Delivery, Sumeet Singh	[redacted]	[redacted]	N/A	[redacted]	[redacted]
EVP, General Counsel, Chief Ethics & Compliance Officer and Corporate Secretary, John Simon	[redacted]	[redacted]	N/A	[redacted]	[redacted]
EVP, Strategy and Growth, Jason Glickman	[redacted]	[redacted]	N/A	[redacted]	[redacted]
EVP, Chief People Officer, Alejandro Vallejo	[redacted]	[redacted]	N/A	[redacted]	[redacted]
EVP and Chief Information Officer, Ajay Waghray	[redacted]	[redacted]	N/A	[redacted]	[redacted]
VP, Controller, Utility CFO, Stephanie Williams	[redacted]	[redacted]	N/A	[redacted]	[redacted]

List all types of indirect and ancillary compensation included in Table 1.6.1:

Accidental Death & Dismemberment, Qualified Pension Service Cost, Health Club Reimbursement, Executive Health and Financial Services

[7] Figures in this chart are rounded and accordingly may not sum to 100%

1.7 Indirect or Ancillary Compensation

1.7.1 Indirect and Ancillary Compensation (not including Supplemental Executive Retirement Plans (SERPs))

Instructions: The electrical corporation must list all indirect and ancillary compensation (excluding SERP) provided to executive officers with new or amended contracts, plans, or arrangements, whether written or unwritten. See Attachment 2 for the definition of and a list of typical indirect or ancillary compensation. If the electrical corporation provides indirect or ancillary compensation, the electrical corporation must provide the current estimated proportion of TC for each executive officer. The total indirect and ancillary service costs reported in Table 1.7.1 must reconcile with the corresponding values Table 1.6.1. For purposes of calculating the percentage of TC, use the grant value of the compensation as determined for accounting purposes. Grant value is the value that is disclosed in proxy statement summary compensation tables for executive officers who are proxy officers. The electrical corporation must specify percentages for each executive officer and not a range for various position levels. The electrical corporation must exclude all pension plans whether qualified or non-qualified in Table 1.7.1. The electrical corporation may add rows and explanatory notes as necessary.

Table 1.7.1
Current Year Indirect or Ancillary Compensation Example (Excluding SERP)

Title	Current Year Indirect or Ancillary Compensation Element	Eligibility Requirements	Frequency (One-Time, Annual, Other)	Current Estimated Proportion of Current Year TC
CEO, PG&E, & EVP, Energy Delivery	Accidental Death & Dismemberment	All Executive Officers	Annual	[redacted]
CEO, PG&E, & EVP, Energy Delivery	Qualified Pension Service Cost	All Executive Officers	Annual	[redacted]
EVP and Chief Information Officer	Accidental Death & Dismemberment	All Executive Officers	Annual	[redacted]
EVP and Chief Information Officer	Qualified Pension Service Cost	All Executive Officers	Annual	[redacted]
EVP and Chief Information Officer	Executive Health	All Executive Officers	Annual	[redacted]
EVP and Chief Information Officer	Financial Services	All Executive Officers	Annual	[redacted]
EVP, Chief People Officer	Accidental Death & Dismemberment	All Executive Officers	Annual	[redacted]
EVP, Chief People Officer	Qualified Pension Service Cost	All Executive Officers	Annual	[redacted]
EVP, Chief People Officer	Executive Health	All Executive Officers	Annual	[redacted]

Title	Current Year Indirect or Ancillary Compensation Element	Eligibility Requirements	Frequency (One-Time, Annual, Other)	Current Estimated Proportion of Current Year TC
EVP, Chief People Officer	Financial Services	All Executive Officers	Annual	[redacted]
EVP, Enterprise Transformation Office	Accidental Death & Dismemberment	All Executive Officers	Annual	[redacted]
EVP, Enterprise Transformation Office	Qualified Pension Service Cost	All Executive Officers	Annual	[redacted]
EVP, Enterprise Transformation Office	Health Club Reimbursement	Director and above	Annual	[redacted]
EVP, Enterprise Transformation Office	Executive Health	All Executive Officers	Annual	[redacted]
EVP, Enterprise Transformation Office	Financial Services	All Executive Officers	Annual	[redacted]
EVP, General Counsel, Chief Ethics & Compliance Officer and Corporate Secretary	Accidental Death & Dismemberment	All Executive Officers	Annual	[redacted]
EVP, General Counsel, Chief Ethics & Compliance Officer and Corporate Secretary	Qualified Pension Service Cost	All Executive Officers	Annual	[redacted]
EVP, General Counsel, Chief Ethics & Compliance Officer and Corporate Secretary	Health Club Reimbursement	Director and above	Annual	[redacted]
EVP, General Counsel, Chief Ethics & Compliance Officer and Corporate Secretary	Executive Health	All Executive Officers	Annual	[redacted]
EVP, Strategy and Growth	Accidental Death & Dismemberment	All Executive Officers	Annual	[redacted]
EVP, Strategy and Growth	Qualified Pension Service Cost	All Executive Officers	Annual	[redacted]
EVP, Strategy and Growth	Executive Health	All Executive Officers	Annual	[redacted]
EVP, Strategy and Growth	Financial Services	All Executive Officers	Annual	[redacted]
VP, Controller, Utility CFO	Accidental Death & Dismemberment	All Executive Officers	Annual	[redacted]
VP, Controller, Utility CFO	Qualified Pension Service Cost	All Executive Officers	Annual	[redacted]

1.7.2 Supplemental Executive Retirement Plans (SERPs)

Instructions: Provide details of the SERP for all executive officers as defined in Public Utilities Code Section 451.5I and Attachment 2.

1. **Availability of Supplemental Retirement Plans**

Does the electrical corporation have supplemental retirement plans for non-Executive Officers? Check one:

Yes: ☒ No: ☐

If "Yes," describe the eligibility requirements for the plan(s):

There are three supplemental retirement plans non-Executive Officers are eligible for: the Supplemental Retirement Savings Plans ("SRSP"), the Supplemental Executive Retirement Plan ("SERP"), and the Defined Contribution Executive Supplemental Retirement Plan ("DC-ESRP"). • Eligibility for the SERP and DC-ESRP is based on job level. Employees who hold an officer position are eligible. • Eligibility for the SRSP is based on job level. Employees who hold a job at the following levels are eligible: Officers, Senior Directors, Directors, and Chiefs (including certain attorneys or other key employees determined by the Plan Administrator.

2. **Structure of Supplemental Retirement Plans**

If supplemental retirement plans are available, describe:

- The eligibility requirements for participation in the plan(s).
- The award basis for plan(s) (e.g., years of service, company stock performance over the period of service, etc.).
- The type of payment made (e.g., cash, stock, combination of cash and stock).
- The award schedule for the plan(s).

SRSP: Eligibility: Officers, Senior Directors, Directors, and Chiefs (including certain attorneys), or other key employees determined by the Plan Administrator). Award Basis: The SRSP benefit provides matching employer contribution benefits to eligible employees based on the same benefit formula as the tax-qualified Retirement Savings Plan. These benefits are provided in the SRSP when PG&E is unable to make equivalent contributions to the qualified plan because of limitations imposed by law. Type of Payment: Cash. Award Schedule: 7 months after termination. SERP: Eligibility: Officers of the company, hired or became an officer prior to 2013.

Award Basis: The SERP provides benefits to covered employees generally based on the same benefit formula as the tax-qualified pension plan. The SERP benefit includes payments made based on STIP metric performance. SERP benefits are reduced by amounts paid from the tax-qualified pension.
Type of Payment: Cash.
Award Schedule: 7 months after retirement (55 and older) lump sum payment and monthly thereafter.

DC-ESRP:
Eligibility: Officers of the company who do not participate in the SERP.
Award Basis: Participants receive contribution benefits based on a percentage of salary and STIP payments.
Type of Payment: Cash.
Award Schedule: The accumulated balance is distributed to participants beginning seven months following termination, in one to ten installments based on one's elections while an active employee.

3. Supplemental Retirement Plan Benefits

Instructions: Provide SERP values for all executive officers described in the electrical corporation's executive compensation submission. If an executive officer is not eligible for the SERP, please indicate.

Table 1.7.2
SERP Example

Executive Title	Number of Years Credited Service as of Current Year	Present Value of Accumulated Benefit – Previous Year as a % of TDC	Cash Balance Account Lump Sum Value – Previous Year as a % of TDC
EVP, Enterprise Transformation Office	[redacted]	[redacted]	[redacted]
CEO, PG&E, & EVP, Energy Delivery	[redacted]	[redacted]	[redacted]
EVP, General Counsel, Chief Ethics & Compliance Officer and Corporate Secretary	[redacted]	[redacted]	[redacted]
EVP, Strategy and Growth	[redacted]	[redacted]	[redacted]
EVP, Chief People Officer	[redacted]	[redacted]	[redacted]
EVP and Chief Information Officer	[redacted]	[redacted]	[redacted]
VP, Controller, Utility CFO	[redacted]	[redacted]	[redacted]

1.8 ACR 9 Executive Compensation Proposal

As per D. 20-05-053, the Commission has obligated PG&E to comply with the requirements of the Assigned Commissioner Ruling (ACR) Executive Compensation Proposal 9. PG&E must note in its submission how it is addressing the various additional requirements.[8]

Other electrical corporations are encouraged to review and consider adopting measures from the ACR Executive Compensation Proposal 9 in the spirit of transparency and furthering the purpose of AB 1054. 8,8F 9

If an electrical corporation adopts measures from the ACR Executive Compensation Proposal the electrical corporation must note in its submission how its compensation structure addresses the elements set forth in Public Utilities Code section 8389(a).

1.8.7 ACR Executive Compensation Proposal Alignment

Instructions: PG&E must demonstrate how it complies with the additional requirements set forth in ACR 9. PG&E must provide an explanation of how its compensation structure aligns or does not align with the element for each element of ACR 9.

Other electrical corporations may demonstrate how they comply with the additional requirements set forth in ACR 9. Other electrical corporations may provide an explanation of how their compensation structure aligns or does not align with each element of ACR 9.

1. **Publicly disclosed compensation arrangements for executives.**

Public Disclosure: D.20-05-053 requires "[p]ublicly disclosed compensation arrangements for executives.[9] PG&E complies with this requirement in numerous ways:

- On June 25, 2020, PG&E's Board of Directors adopted a Policy Statement providing in part: "It is the policy of this Board that compensation provided to executive officers (as defined in Public Utilities Code §§ 451.5 and 8389(e))…shall comply with the following: …Compensation arrangement for executives must be publicly disclosed."[10]
- PG&E annually provides detailed disclosures regarding executive compensation in PG&E's and PG&E Corporation's joint proxy statements. The proxy statements are publicly available on the websites of PG&E Corporation, the Securities and Exchange Commission and other organizations.
- PG&E annually files detailed reports regarding compensation for officers (including executive officers) who annually earn $250,000 or more pursuant to the Commission's General Order 77-M. These reports are publicly available on the Commission's website.
- PG&E annually provides detailed information about its executive compensation structure to Energy Safety, including in the current filing. Energy Safety posts each electrical corporation's annual submission on Energy Safety's website.

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[8] CPUC Decision 20-05-053, pp. 86 – 93: https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M338/K816/338816365.PDF, (accessed March 27, 2026).

[9] D.20-05-053 at 88.

[10] Policy Statement of the Board of Directors of PG&E Regarding Executive Compensation Following Emergence from Chapter 11 ("June 25, 2020 Policy Statement").

2. Written compensation agreements for executives.

Written Compensation Agreements: D.20-05-053 requires "[w]ritten compensation agreements for executives."[11] As PG&E stated in the Plan of Reorganization Order Instituting Investigation, I.19-09-016 (the "POR OII"),[12] PG&E understands this requirement to connote the written shareholder-approved PG&E Corporation 2021 Long-Term Incentive Plan ("LTIP") (under which equity-based long-term incentive compensation is provided to PG&E executive officers), written award contracts for awards provided under the LTIP (which are used for PG&E executive officers), and public disclosure of the terms, features, and results of PG&E's compensation programs (which are provided as set forth above). Additionally, on January 19, 2022, the People and Compensation Committee of the PG&E Corporation Board of Directors adopted the PG&E Corporation Short-Term Incentive Plan (the "STIP"), under which officers and employees of PG&E and PG&E Corporation and their subsidiaries are eligible to receive incentive-based cash compensation based on selected metrics that are designed to align their interests with those of PG&E and PG&E Corporation. PG&E generally does not have written employment contracts with its executive officers more broadly, and stated without objection in the POR OII that it does not support a requirement of using such contracts.[13] The PG&E Board's June 25, 2020 Policy Statement reiterates that "[t]he Utility shall have written compensation agreements for executives," "[c]onsistent with the Utility's written submissions to the Commission in the proceeding that culminated in the Decision Approving Reorganization Plan of [PG&E] and PG&E Corporation (D.20-05-053)."[14]

3. Guaranteed cash compensation as a percentage of total compensation that does not exceed industry norms.

Guaranteed Cash Compensation Within Industry Norms: D.20-05-053 requires that "[g]uaranteed cash compensation as a percentage of total compensation . . . not exceed industry norms."[15] The People and Compensation Committee uses its independent consultant to help ensure that cash compensation as a percentage of total compensation does not exceed industry norms. The PG&E Board's June 25, 2020 Policy Statement further formalizes that "[g]uaranteed cash compensation as a percentage of total compensation shall not exceed industry norms."[16]

4. Holding or deferring the majority or super-majority of incentive compensation, in form of equity awards, for at least three years.

Deferral of Equity Awards: D.20-05-053 requires "[h]olding or deferring the majority or super-majority of incentive compensation, in the form of equity awards, for at least 3 years." As noted in PG&E's submission, long-term incentive compensation for PG&E's executive officers for 2026 consists mainly of performance share awards, and such awards do not vest, if at all, until after a three-year performance period. Further, as noted, long-term incentive compensation for PG&E's executive

[11] D.20-05-053 at 88.
[12] *See* PG&E's Post-Hearing Brief and Comments on Assigned Commissioner's Proposals, filed Mar. 13, 2020 in I.19-09-016, at 164.
[13] *See id.*
[14] June 25, 2020 Policy Statement.
[15] D.20-05-053 at 88.
[16] June 25, 2020 Policy Statement.

officers for 2026 also includes restricted stock units, and 34% of each such award does not vest, if at all, until after three years. Additionally, the PG&E Board's June 25, 2020 Policy Statement requires that (i) "a significant portion of compensation, which may take the form of grants of PG&E Corporation common stock, [be] based on the Utility's long-term performance and value, with such compensation held or deferred for a period of at least three years"; and (ii) "[t]he majority or super-majority of incentive compensation, in the form of equity awards must be held or deferred for at least three years."[17]

5. **Basing a significant component of long-term incentive compensation on safety performance, as measured by a relevant subset of by the Safety and Operational Metrics to be developed, as well as customer satisfaction, engagement, and welfare. The remaining portion may be based on financial performance or other considerations.**

Safety Metrics: D.20-05-053 requires "[b]asing a significant component of long-term incentive compensation on safety performance, as measured by a relevant subset of by [sic] the Safety and Operational Metrics to be developed, as well as customer satisfaction, engagement, and welfare."[18] The Decision provides that "[t]he remaining portion may be based on financial performance or other considerations."[19]

PG&E's 2026 executive compensation structure complies with these requirements. As shown herein, PG&E's STIP design for 2026 uses metrics that are weighted 60% to safety, and PG&E's LTIP program design for 2026 uses metrics that are weighted 40% to safety.

For 2026, PG&E's STIP design continues to be weighted 10%, and the LTIP program design weighted 25%, for customer satisfaction, engagement, and/or welfare.

The STIP and LTIP program designs for 2026 include numerous metrics that are identical or similar to Safety and Operational Metrics ("SOMS") approved by the Commission on November 9, 2021.[20] Please see above for how various STIP metrics align with the SOMs. Additionally, Electric Corrective Maintenance in HFRA, a metric in the 2026 LTIP program design, aligns with the GO-95 Corrective Action in HFTDs SOM No. 3.11.[21] Further, the SAIDI metric in the 2026 LTIP program design aligns with the SAIDI SOM (SOM No. 2.1).[22]

[17] June 25, 2020 Policy Statement.
[18] D.20-05-053 at 88.
[19] *Id.*
[20] *See* Decision Addressing Phase I, Track 1 and 2 Issues, D.21-11-009, in *Order Instituting Rulemaking to Further Develop a Risk-Based Decision-Making Framework for Electric and Gas Utilities*, R.20-07-013. The CPUC-approved SOMS, as applicable to PG&E, are listed in Appendices A and B to the Decision.
[21] *See id.*, Appendix A, Item 3.11.
[22] *See id.*, Appendix A, Item 2.1.

6. Annual review of awards by an independent consultant.

<u>Annual Review</u>: D.20-05-053 requires "[a]nnual review of awards by an independent consultant."[23] The PG&E Corporation Board of Directors' People and Compensation Committee—which advises the PG&E Board regarding executive compensation matters—uses a nationally recognized independent compensation consultant, Meridian Compensation Partners, LLC, to review awards for compliance with AB 1054, with D.20.05-053, and with best practices.

7. Annual reporting of awards to the CPUC through a Tier 1 advice letter compliance filing.

<u>Annual Reporting</u>: D.20-05-053 requires "[a]nnual reporting of awards to the CPUC through a Tier 1 advice letter compliance filing."[24] The PG&E Board's June 25, 2020 Policy Statement implemented this requirement by providing that "[t]he Utility shall provide annual reporting of awards to the Commission through a Tier 1 advice letter compliance filing.[25] PG&E filed the Tier 1 advice letter reporting on awards for 2025 May 21, 2026.[26]

8. A presumption that a material portion of executive incentive compensation shall be withheld if the PG&E is the ignition source of a catastrophic wildfire, unless the Commission determines that it would be inappropriate based on the conduct of the utility.

<u>Presumption of Withholding</u>: D.20-05-053 imposes "[a] presumption that a material portion of executive incentive compensation shall be withheld if . . . PG&E is the ignition source of a catastrophic wildfire, unless the Commission determines that it would be inappropriate based on the conduct of the utility."[27] The Decision clarifies who bears responsibility for applying the presumption, as follows: "PG&E . . . make[s] the initial determination as to whether PG&E ha[s] caused a catastrophic event that warrants reduction or elimination of incentive compensation, [and] that . . . decision [is] subject to Commission review and modification."[28] PG&E implemented this portion of D.20-05-053 in the Board's June 25, 2020 Policy Statement, which provides in part: "There shall be a presumption that a material portion of executive incentive compensation shall be withheld if the Utility is the ignition source of a catastrophic wildfire, subject to any decision by the Board that such withholding would be inappropriate based on the conduct of the Utility. Any such determination by the Board shall be subject to Commission review and modification."[29]

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[23] D.20-05-053 at 88.
[24] *Id.*
[25] June 25, 2020 Policy Statement.
[26] *See* Advice Letter 5215-G/7914-E.
[27] D.20-05-053 at 88.
[28] *Id.* at 92.
[29] June 25, 2020 Policy Statement.

9. **Executive officer compensation policies will include provisions that allow for restrictions, limitations, and cancellations of severance payments in the event of any felony criminal conviction related to public health and safety or financial misconduct by the reorganized PG&E, for executive officers serving at the time of the underlying conduct that led to the conviction. Implementation of this policy should take into account PG&E's need to attract and retain highly qualified executive officers.**

Severance Policy: D.20-05-053 provides: "Executive officer compensation policies will include provisions that allow for restrictions, limitations, and cancellations of severance payments in the event of any felony criminal conviction related to public health and safety or financial misconduct by the reorganized PG&E, for executive officers serving at the time of the underlying conduct that led to the conviction. Implementation of this policy should take into account PG&E's need to attract and retain highly qualified executive officers."[30] The Board's June 25, 2020 Policy Statement required PG&E's executive compensation severance policy to include such provisions. Thereafter, on September 24, 2020, the PG&E Corporation Compensation Committee approved amendments to the PG&E Corporation 2012 Officer Severance Policy (which applies to executive officers of PG&E). Under the amended policy, the Board has the right to restrict, limit, cancel, reduce, or require forfeiture of certain payments or benefits to executive officers in the event of, among other things, a felony conviction of PG&E related to public health and safety or financial misconduct by PG&E following its emergence from Chapter 11 (a "Company Conviction"), provided that such executive officer was serving as an executive officer at the time of the underlying conduct that led to the conviction.[31] Also, under the amended policy, PG&E may recoup or require reimbursement or repayment of rights, payments, and benefits under the policy from PG&E executive officers in the event such executive officers engaged in misconduct that materially contributed to some of the actions or omissions on which the Company Conviction is based.[32]

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30 D.20-05-053 at 89.

31 *See* PG&E Corporation and PG&E Form 8-K (Sept. 22, 2020).

32 *See id.*