August 24, 2026

Office of Energy Infrastructure Safety
715 P Street, 20th Floor
Sacramento, California 95814

Subject: Liberty Utilities (CalPeco Electric) LLC's Executive Compensation Structure Submission Pursuant to Public Utilities Code Section 8389

Dear Office of Energy Infrastructure Safety:

Liberty Utilities (CalPeco Electric) LLC ("Liberty") submits this Executive Compensation Structure Filing pursuant to Public Utilities Code Section 8389, including the executive compensation requirements set forth in sections 8389(a)(4) and 8389(a)(6)(A).

Liberty recognizes the critical role that California's electrical corporations play in reducing wildfire risk and protecting the communities it serves. Liberty has reviewed the Office of Energy Infrastructure Safety ("Energy Safety") requirements and has worked diligently to confirm that its programs, processes, governance practices, and compensation structures align with the objectives and expectations established by Energy Safety.

Because Liberty is a small electrical corporation in a unique service territory characterized by elevated wildfire risk, mountainous terrain, extensive vegetation management requirements, and challenging environmental conditions, Liberty designed its compensation structure to provide direct executive accountability for actions that reduce wildfire risk and improve system safety while maintaining reliable electric service for customers.

As an overview, Liberty's executive compensation program emphasizes pay-for-performance principles, with a significant portion of executive compensation variable and contingent upon achievement of measurable performance objectives. The 2026 structure includes metrics directly aligned with Liberty's Wildfire Mitigation Plan, including covered conductor installation, vegetation-management clearance, distribution pole replacements and reinforcements, expulsion fuse replacement, and enhanced asset inspections. The program also includes complementary measures addressing workforce safety, environmental compliance, customer experience, operational performance, and the financial stability necessary to support safe and reliable utility service. The structure incorporates defined threshold, target, and maximum or stretch performance levels. In addition, Liberty's long-term incentive program promotes sustained accountability by tying compensation to multi-year financial, operational, and wildfire-safety performance measures.

Accordingly, Liberty enhanced its 2026 executive compensation structure to provide direct executive accountability for measurable actions that reduce wildfire risk and improve system safety, while maintaining reliable electric service and supporting utility financial stability. Through its executive compensation structure, Liberty demonstrates its commitment to embedding safety into executive decision-making and aligning executive incentives with the public safety objectives of AB 1054, Public Utilities Code Section 8389, and Energy Safety's certification framework. Notably, the program places greater emphasis on long-term incentive compensation than short-term incentive compensation, with LTIP awards subject to a three-year vesting period and contingent on achievement of objective performance measures, including a significant wildfire-safety component.

As this is Liberty's first submission under this reporting framework, certain requested historical information is not available in a directly comparable form because the applicable metrics were not previously tracked or maintained using the definitions, methodologies, classifications, and reporting structure required by the current filing. Where historical information is unavailable or requires context, Liberty has provided explanatory information in the applicable sections of the submission.

Thank you for your review and consideration of this application. If Energy Safety requests any additional information or clarification, please let us know.

Sincerely,

Eric Schwarzrock
President
Liberty Utilities (CalPeco Electric) LLC

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Attachment 1: Required Information Templates

Instructions on Completing the Templates

Electrical corporations must use the provided templates and follow these instructions to complete executive compensation structure submissions. Example responses are highlighted and provided in green font. Electrical corporations must remove the example responses before submitting the executive compensation structure submissions. The electrical corporation's information must be provided in the blank rows, and additional rows should be added as needed.

Electrical corporations must complete the tables in the attachments below as PDFs and must also include the *identical* data in Excel format. The Excel template table numbers align with the tables below. Electrical corporations must use the Excel template for the Excel submissions. Electrical corporations must follow the instructions in sections 1.1 to 1.8 below for both the PDF and Excel versions.

Note: In this document, 'current year' refers to the calendar year the data is being reported for, and 'previous year' refers to the current year minus one (i.e., the year immediately preceding the current year).

Public Utilities Code Section 8389(a)(4): 1.1-1.5

All electrical corporations must comply with the requirements of Public Utilities Code section 8389(a)(4).[1]

Specifically, all electrical corporations' executive compensation structures must be structured to promote safety as a priority and include:

- Incentive compensation based on meeting performance metrics that are measurable and enforceable.
- Performance metrics that promote safety as a priority and ensure public safety and utility financial stability.

Compensation structures may include tying 100 percent of incentive compensation to safety performance and denying all incentive compensation in the event the electrical corporation causes a catastrophic wildfire that results in one or more fatalities.

To aid Energy Safety in assessing compliance with Public Utilities Code section 8389(a)(4), electrical corporations must complete submissions in both templates as instructed in Sections 1.1 to 1.5 below, for all executive officers as defined in Public Utilities Code section 451.5(c).

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1 Public Utilities Code Section 8389(a)4: https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=PUC&sectionNum=8389, (accessed March 27, 2026).

1.1 Incentive Compensation Components

Rationale: For the issuance of a Certificate, Public Utilities Code section 8389(a)(4) requires that electrical corporations' executive incentive compensation structures include "incentive compensation based on meeting performance metrics that are measurable and enforceable, for all executive officers" To evaluate an electrical corporation's compliance with this requirement, Energy Safety must know: (a) who are the electrical corporation's executive officers and (b) what incentive compensation structure exists.

Definition: "Executive officer" is defined in Public Utilities Code section 451.5(c) and "means any person who performs policy making functions and is employed by the public utility subject to the approval of the board of directors, and includes the president, secretary, treasurer, and any vice president in charge of a principal business unit, division, or function of the public utility." Energy Safety considers divisions or units responsible for electrical operations, gas operations or wildfire-related functions principal business units, divisions, or functions of the public utility.

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.

For purposes of this Executive Compensation Structure Submission, unless otherwise indicated, references to "Liberty" or "Company" means Liberty Utilities (CalPeco Electric) LLC. References to the "Board" mean the Board of Directors of Liberty Utilities (CalPeco Electric) LLC.

Table 1.1.1
Incentive Compensation at the Target Level

Executive Title / Function	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
President, Eric Schwarzrock	N/A	[redacted]	[redacted]	[redacted]
Secretary and Treasurer, Peter Stoltman	N/A	[redacted]	[redacted]	[redacted]

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

Executive Title / Function	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
President, Eric Schwarzrock	[redacted]	N/A	[redacted]	[redacted]
Secretary and Treasurer, Peter Stoltman	[redacted]	N/A	[redacted]	[redacted]

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.

[2] STIP awards are calculated and paid on an annual basis. There are no quarterly STIP awards.

Table 1.1.3
Target Incentive Compensation as a Percent of Base Salary

Executive Title / Function	Target Quarterly STIP as a Percent of base pay	Target Annual STIP as a Percent of base pay	Target LTIP as a Percent of base pay
President, Eric Schwarzrock	N/A	[redacted]	[redacted]
Secretary and Treasurer, Peter Stoltman	N/A	[redacted]	[redacted]

1.2 Executive Officer Exclusion Rationale

Rationale: For the issuance of a Certificate, Public Utilities Code section 8389(a)(4) requires that electrical corporations' executive incentive compensation structures include "incentive compensation based on meeting performance metrics that are measurable and enforceable, for all executive officers" To ensure incentive compensation is used for all executive officers, Energy Safety must understand why certain top-level officials do not fit within the definition of "executive officers" as defined in Public Utilities Code section 451.5(c).

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).[3]

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	Rationale
N/A.	There are no other executives or officers at Liberty that fit within the definition of "executive officers" as defined in Public Utilities Code section 451.5(c).

[3] Public Utilities Code Section 451.5(C): https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=451.5&lawCode=PUC (accessed March 27, 2026).

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):

Liberty defines policy-making personnel as those who have the authority to establish, approve, or materially influence the strategic direction, operational policies, risk management practices, and financial or safety objectives of the Company. In determining which employees are included as policy-making personnel for purposes of the executive compensation program, Liberty considers the following factors:

- The individual's level of organizational authority and decision-making responsibility;
- Responsibility for establishing or materially influencing corporate strategy, operational policies, or key business objectives;
- Accountability for safety, wildfire mitigation, regulatory compliance, financial performance, or other enterprise risks;
- Authority to allocate significant financial, operational, or human resources; and
- The ability to directly influence outcomes that affect the Company's long-term performance and regulatory obligations.

1.3 Short-Term Incentive Program (STIP)

Rationale: For the issuance of a Certificate, Public Utilities Code section 8389(a)(4) requires that electrical corporations' executive incentive compensation structures are "structured to promote safety as a priority and to ensure public safety and utility financial stability with performance metrics, including incentive compensation based on meeting performance metrics that are measurable and enforceable, for all executive officers."

To ensure that the executive compensation structure for electrical corporation executive officers is structured to promote safety as a priority and ensure public safety and utility financial stability, Energy Safety must have an in-depth understanding of:

- The performance-based components of an executive compensation structure.
- How that structure is promoting safety.
- How effective metrics are in changing safety and financial outcomes.
- How adjustments to metrics are tied to performance.

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).

1.3.1 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 on for the current year: **Cash: X** Other: ☐.

If other, describe the other type of STIP payment. Not Applicable.

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: X No:

If "Yes," describe any performance triggers:

The STIP includes non-discretionary performance triggers for each performance metric. Each metric has an established threshold level of performance that must be achieved for a payout to be earned for that metric. The performance triggers are: Severity Based Lagging Indicators - 0.90; Safety Observations – 5,278; Customer Operational Performance Consolidated Index – 5%; Adjusted Net EPS – US$0.25; Funds From Operations (FFO) – US$459 million; and Optimize Regulated Business through use of SAP2 – 550. If the applicable threshold is not achieved, no payout is earned for that metric.

In addition, the Adjusted Net EPS metric includes a Scorecard Circuit Breaker. If the Adjusted Net EPS threshold is not achieved, all other measures on the scorecard will be capped at no more than target

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

Not applicable.

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: X**

If "Yes," describe all automatic, non-discretionary deductions: Not Applicable.

b) If this changed from the prior year, explain the reason for the change: Not applicable.

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: X No:

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

In the event Liberty causes a catastrophic wildfire that results in one or more fatalities, there will be a presumption that STIP awards for the applicable plan year will be substantially reduced or denied. The Board shall evaluate the appropriate adjustment, including the potential denial of STIP awards, based on the circumstances of the event, executive accountability, public safety impacts, and the objectives of Public Utilities Code § 8389.

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: X 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: X**

If multiple ranges are used, explain why:

Liberty applies multiple ranges as each metric has a different underlying performance scale, business objective, and definition of "good" performance. Given that each metric describes something different (see chart below), the range needs to reflect performance relative to each metric.

- Adjusted Net EPS: measured in dollars per share
- FFO: measured in millions of dollars
- Severity Based Lagging Indicators: a rate/index where lower is better
- Safety Observations: a count where higher is better

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

Table 1.3.1
Previous Year STIP Metric Performance Range(s)

Category	Metric	Metric Type	Weight	Min	Target	Max
Safety	a. Severity Based Lagging Indicator (SBLI) b. Safety observations	*a. Lagging* *b. Lagging*	*10%*	*a. 0.90* *b. 5,278*	*a. 0.67* *b.7,531*	*a. 0.22* *b. 9,037*
Customer	Customer Operational Performance Consolidated Index	*Lagging*	*10%*	*5%*	*10%*	*20%*
Financial	Adjusted Net EPS	*Lagging*	*40%*	*US$0.25*	*US$0.28*	US$0.31
Financial	Funds From Operations FFO	*Lagging*	*20%*	*US $459M*	*US $510M*	*US$561M*
Strategic	Optimize regulated business through use of SAP2	*leading*	*20%*	*550*	*600*	*700*

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

This is Liberty first submission under this program. For 2025, the interpolation is linear between the threshold, target, and maximum/stretch performance levels. However, each metric has its own performance scale, so the interpolation is calculated within that metric rather than across metrics.

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: X 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: X**

If multiple ranges are used, explain why: .

Liberty applies multiple ranges as each metric has a different underlying performance scale, business objective, and definition of "good" performance. Given that each metric describes something different, the range needs to reflect performance relative to each metric.

Table 1.3.2
Current Year STIP Metric Performance Range(s)

Metric	Threshold (50%)	Target (100%)	Stretch (200%)
Customer Service: Focused Index Score for Customer	673	696	720
Other Improvement: Future Vision Index	49%	55%	65%
Financial: Adjusted NET EPS	Budget -10%	Budget	Budget +10%
Environmental: Environmental Permit Compliance (EPC)	3.00	2.00	1.00
Wildfire Mitigation: Covered Conductor Installation	5.0	7.0	10.0
Wildfire Mitigation: Distribution Pole Replacements and Reinforcements	300	400	600
Wildfire Mitigation: Expulsion fuse replacement	750	1000	1500
Wildfire Mitigation: Other discretionary asset inspections: Drone inspections (new)	100	127	175
Wildfire Mitigation: Vegetation Management: Clearance	550	700	1000
Workforce Safety: Potential Serious Injury and/or Fatality (PSIF) Rate	1.00	0.96	0.90
Workforce Safety: Severity Based Lagging Indicators (SBLI)	0.83	0.58	0.22

c) Describe the interpolation method between categories:

The interpolation method is linear (*i.e.*, straight line) between the performance points, where the payout curve is anchored at the different payout points. This methodology avoids payout cliffs and a smooth, continuous relationship between performance and payment of each category.

Performance Level	Achievement	Payout
Threshold	Minimum acceptable performance	50% of target incentive
Target	Expected business results achieved	100% of target incentive
Stretch	Outstanding results exceeded	200% of target incentive

Liberty uses a single performance range framework for all current-year STIP metrics. As outlined above, each metric, regardless of category, is evaluated using three performance levels and corresponding payout opportunities:

While the specific performance objectives and measures may differ by metric, the achievement ranges and payout methodology are applied consistently across all STIP metrics. Incentive compensation is earned proportionally based on actual performance achieved relative to the established performance goals.

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

Yes: X No:

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

This is Liberty's first submission under this program.

As such, for 2026, Liberty updated its STIP to introduce WMP-aligned Wildfire Mitigation metrics, which comprise 50% of the scorecard. The remaining 50% is comprised of reweighted corporate performance metrics. These changes reflect the implementation of the WMP-aligned incentive structure for the 2026 performance year and reinforce Liberty's commitment to integrating wildfire safety into its incentive compensation framework.

Metric	Metric Type	Weight	Existing/New
Customer Service: Focused Index Score for Customer	Lagging	7.5	New
Other Improvement: Future Vision Index	Lagging	2.5	Existing
Financial: Adjusted NET EPS	Lagging	30	Existing
Environmental: Environmental Permit Compliance (EPC)	Lagging	2.5	New

Wildfire Mitigation: Covered Conductor Installation	Lagging	10	New
Wildfire Mitigation: Distribution Pole Replacement and Reinforcements	Lagging	10	New
Wildfire Mitigation: Expulsion Fuse Replacement	Lagging	10	New
Wildfire Mitigation: Other discretionary assets inspections: drone Inspections (new)	Lagging	10	New
Wildfire Mitigation: Vegetation Management Clearance	Lagging	10	New
Workforce Safety (employee and customer): Potential Serious injury and /or Fatality (PSIF)	Leading	5	New
Workforce Safety (employee and customer): Severity Based Lagging Indicators (SBLI)	Lagging	2.5	New

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: X** No:

If "Yes," describe each performance modifiers:

Liberty utilized Individual Performance Modifiers as part of its STIP program in 2025. The STIP was based on [redacted] Corporate and [redacted] individual for the President; [redacted] Corporate and [redacted] individual for the Corporate Secretary. Individual performance assessments included consideration of the executive's contribution to key business objectives, including safety, operational, and strategic priorities, thereby reinforcing accountability for behaviors and outcomes that support the Company's safety culture and long-term operational performance.

Individual performance is assessed using established performance ratings, with each rating corresponding to a defined award range. The final individual performance multiplied within the applicable range is determined by leadership based on the executive's performance.

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

Table 1.3.3
Individual Performance Modifiers – Previous Year Actual

Executive Title / Function	Executive Name	Increase / Decrease	Percentage Change	Factors in / Reason for Adjustment	Previous Year	Utility ID
President	Eric Schwarzrock	[redacted]			2025	Liberty
Secretary and Treasurer	Peter Stoltman				2025	Liberty

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: X**

Board Discretion, check one: **Yes: X** No:

If "Yes," describe and quantify the impact of the company performance modifier:
If the Adjusted ESP threshold is not achieved, all other measures on the scorecard will be capped to no more than target.

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
Workforce Safety	See note below	a. Severity Based Lagging Indicators b. Safety observations	*a. Lagging* *b. Lagging*	*10%*	*c. 0.90* *d. 5,278*	*a. 0.67* *b.7,531*	*a. 0.22* *b. 9,037*	*a. 0.66 b. 11,016*	*15.1%*
Customer Experience	See note below	Customer Operational Performance Consolidated Index	*Lagging*	*10%*	*5%*	*10%*	*20%*	*14.4%*	*14.4%*
Financial	See note below	Adjusted Net EPS	*Lagging*	*40%*	US$0.25	US$0.28	US$0.31	*US $0.34*	*80%*
Financial	See note below	Funds From Operations FFO	*Lagging*	*20%*	*US $459M*	*US $510M*	*US$561M*	*US$651.1M*	*11.2%*
Other Improvement	See note below	Optimize regulated business through use of SAP2	*Leading*	*20%*	*550*	*600*	*700*	*697*	*39.4%*

SUBCATEGORIES – The subcategories listed in Attachment 3 are appropriately included in Liberty's 2025 corporate scorecard, even though they are not specific to Wildfire Mitigation, because Liberty's safety responsibility extends beyond wildfire to the full range of risks associated with its operations. Safety is a fundamental responsibility of doing business at Liberty. The corporate scorecard therefore measures safety more broadly across the enterprise, including the protection of customers, the public, employees, contractors, and communities. Wildfire mitigation is an important and expanding risk and remains a key component of Liberty's safety strategy; however, it is one element of the company's broader safety obligation. With these subcategories, executive accountability encompasses overall safety performance across Liberty's electric service, energy production, emergency response, and workforce operations, while maintaining appropriate focus on wildfire risk.

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
Customer Service		Focused Index Score for Customer	Lagging	7.5	673	696	720
Other Improvement		Future Vison Index	Lagging	2.5	49	55	65
Financial		Adjusted NET EPS	Lagging	30	Budget - 10%	Budget	Budget +10%
Environmental		Environmental Permit Compliance (EPC)	Lagging	2.5	3.00	2.00	1.00
Workforce Safety	Workforce Safety (employee and contractor)	Potential Serious injury and /or Fatality (PSIF)	Leading	5	1.00	0.96	0.9

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max
Workforce Safety	Workforce Safety (employee and contractor)	Severity Based Lagging Indicators (SBLI)	Lagging	2.5	0.83	0.58	0.22
Non-Wildfire Safety Total				50%			
Wildfire Safety	Wildfire Mitigation	Covered Conductor Installation	Lagging	10	5.0	7.0	10.0
Wildfire Safety	Wildfire Mitigation	Distribution Pole Replacement and Reinforcements	Lagging	10	300	400	600
Wildfire Safety	Wildfire Mitigation	Expulsion Fuse Replacement	Lagging	10	750	1000	1500
Wildfire Safety	Wildfire Mitigation	Other discretionary asset inspections: drone Inspections (new)	Lagging	10	100	127	175
Wildfire Safety	Wildfire Mitigation	Vegetation Management Clearance	Lagging	10	550	700	1000
Wildfire Safety Total				50%			

Subcategories – Although Adjusted EPS is not directly aligned with the subcategories listed in Attachment 3, its inclusion in the corporate scorecard reflects the importance of financial performance as a fundamental component of Liberty's overall business performance, alongside operational, safety, customer, and workforce outcomes.

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

Metric	Definition	Calculation Methodology	Any Adjustment/ Exclusions	Alignment with WMP Metrics
Customer Service (including satisfaction): Focused Index Score for Customer	A composite customer-experience metric that combines results from selected customer survey questions into a single score. It is designed to measure how customers perceive the Company.	Customer surveyed on trust; satisfaction; ease and responsiveness. Questions and responses are weighted and scored.	No	The Focused Index Score complements the Wildfire Mitigation Plan (WMP) by measuring customer perceptions of the Company's performance and service. Effective execution of WMP initiatives—including vegetation management, infrastructure hardening, enhanced inspections, and improved system reliability—reduces wildfire risk while also decreasing outages, improving service reliability, and increasing customer confidence. As these operational improvements are realized, they are expected to positively influence the Focused Index Score, making it an indirect but meaningful indicator that wildfire mitigation investments are delivering value to customers.

Metric	Definition	Calculation Methodology	Any Adjustment/ Exclusions	Alignment with WMP Metrics
Other Improvement: Future Vision Index	The Future Vision Index measures the extent to which employees understand, support, and have confidence in the Company's strategic direction, leadership, and ability to achieve future goals.	The "percent favorable" Future Vision Index indicates the percentage of respondents who selected a favorable response on each question (i.e., Agree or Strongly Agree). For the Future Vision Index, the "percent favorable" is averaging the favorable responses for the three questions in the Future Vision category (listed below). Therefore a 49% Future Vision Index, it means that 49% of respondents for the Engagement survey selected Agree or Strongly agree across those 3 questions.	No	The Future Vision Index supports the execution of the WMP by measuring employee confidence in the Company's strategic direction and leadership. Achieving WMP objectives requires employees across operations, engineering, vegetation management, asset management, and support functions to understand safety priorities, embrace organizational change, and execute mitigation activities consistently.
Financial: Adjusted NET EPS	A financial performance metric that measures the Company's profitability on a per-share basis after removing the impact of certain non-recurring, unusual, or non-operational items.	A calculation against the budget and the performance is measured relative to the approved net EPS	No	Adjusted Net EPS supports the successful execution of the WMP by measuring the Company's financial performance and its ability to sustainably invest in wildfire mitigation initiatives. Achieving WMP objectives requires significant and ongoing investment in vegetation management, system hardening, inspections, technology, and other resilience programs. Maintaining strong financial performance enables the company to fund these investments while continuing to meet its obligations to customers, regulators, and shareholders.
Environmental: Environmental	The Company's ability to operate in accordance with applicable environmental permits and regulatory	EPC measures the number and weighs the severity of unauthorized environmental	No	By incorporating EPC into the executive compensation plan, the Company reinforces executive accountability for delivering

Metric	Definition	Calculation Methodology	Any Adjustment/ Exclusions	Alignment with WMP Metrics
Permit Compliance (EPC)	requirements, typically assessed through the number and severity of permit violations, notices of non-compliance, or enforcement actions during a defined performance period.	permit exceedances involving air emissions, drinking water, wastewater, or other regulated discharges that exceed permitted limits. Exceedances that are self-reported and do not result in violations receive the lowest weighting, while unreported exceedances resulting in violations receive the highest weighting. The weighted results are aggregated to determine overall performance against target, thereby incentivizing environmental compliance, transparency, and proactive environmental management. Self-reporting credits are capped annually to maintain focus on achieving compliance outcomes rather than solely relying on reporting behavior.		wildfire mitigation activities in a manner that protects natural resources, meets regulatory expectations, and minimizes environmental impacts. This metric recognizes that effective wildfire risk reduction must be achieved in a safe, environmentally responsible, and compliant manner.
Wildfire Safety: Covered Conductor Installation	Measures the extent to which a utility installs insulated or covered electrical distribution conductors as part of its system hardening and wildfire or outage mitigation strategy.	Total number of covered conductor miles installed per Liberty's WMP.	No	This directly aligns with Liberty's WMP system hardening initiatives involving covered conductor deployment in elevated and high wildfire risk areas. Liberty's 2026 target for this metric was established for its 2026-2028 Base WMP.
Wildfire Safety: Distribution Pole Replacements and Reinforcements	Measures the systematic upgrade, replacement, or structural strengthening of electric distribution poles to improve the safety, reliability, and resilience of the electrical distribution system.	Total number of poles replaced per Liberty's WMP.	No	This directly aligns with WMP asset replacement and system hardening initiatives intended to reduce ignition risk. Liberty's 2026 target for this metric was established for its 2026-2028 Base WMP.

Metric	Definition	Calculation Methodology	Any Adjustment/ Exclusions	Alignment with WMP Metrics
Wildfire Safety: Expulsion fuse replacement	Measures the Company's progress in replacing aging, damaged, or high-risk expulsion fuses with new or upgraded protective devices to improve system reliability, safety, and fault protection performance.	Total number of expulsion fuses replaced per Liberty's WMP.	No	This supports wildfire mitigation through replacement of equipment that may contribute to ignition risk. Liberty's 2026 target for this metric was established for its 2026-2028 Base WMP.
Wildfire Safety: Other discretionary asset inspections: Drone inspections (new)	Measures the Company's use of drone-based technology to conduct enhanced or supplemental inspections of electric or gas system assets to identify defects, vegetation risks, equipment deterioration, or other conditions that could impact safety or reliability.	Complete all drone inspections targeted in the "Other Discretionary Asset Inspections" initiative, per Liberty's WMP.	No	This supports enhanced inspection and asset-condition assessment objectives identified within wildfire mitigation and asset management programs. Liberty's 2026 target for this metric was established for its 2026-2028 Base WMP.
Wildfire Safety: Vegetation Management: Clearance	Measures the Company's performance in maintaining required and planned vegetation clearances around utility assets to reduce the risk of contact between vegetation and electrical infrastructure, thereby improving system safety, reliability, and wildfire/outage prevention.	The percentage of tree clearance pruning completed within planned schedule to support compliance requirements.	No	This directly aligns with vegetation management and clearance programs established under the WMP. Liberty's 2026 target for this metric was established for its 2026-2028 Base WMP.
Workforce Safety: Potential Serious Injury and/or Fatality (PSIF) Rate	Measures the rate of high-energy incidents with the potential to cause serious injury or fatality, normalized per a standard exposure unit of200,000 hours worked),.	The PSIF rate is inclusive of operational and safety incidents and near misses meeting the EEI Safety Classification and Learning (SCL) Model definition for PSIF. PSIF is defined as an incident with a release of high-energy in the absence of a direct control	No	No. PSIF measures whether an event had the credible potential to cause a serious injury or fatality; it focuses on employee and contractor safety performance, learning and culture throughout all operations. However, there is conceptual overlap when serious-risk exposures arise from WMP-related hazards or activities and provides insight into risk recognition, reporting, and organizational learning.

Metric	Definition	Calculation Methodology	Any Adjustment/ Exclusions	Alignment with WMP Metrics
		where a serious injury is not sustained.		
Workforce Safety: Severity Based Lagging Indicators (SBLI)	Measures lagging workplace injury performance using a weighted index that reflects both the frequency and severity of injury outcomes by assigning weighted values based on the severity of outcomes such as , fatality, lost time injury, medical treatment, first aid, providing a more risk-informed view of safety performance than simple incident counts.	The SBLI rate is a weighted sum of safety events (First Aid case weight 100, Medical Treatment case weight 500, Job Transfer/Restricted Duty case weight 750, Days Away from Work case weight 1,500) divided by total hours worked and normalized to a baseline number of employee work hours.	No	No. SBLI is an occupational injury metric; it measures the severity of workplace injuries associated with the execution of operational activities (including WMP-related work such as vegetation management, inspections, infrastructure hardening). This complements WMP metrics by providing insight into the worker-safety outcomes associated with executing wildfire mitigation activities.

Scorecard Circuit Breaker: If the Adjusted ESP threshold is not achieved, all other measures on the scorecard will be capped to no more than target.

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).

This is Liberty's first submission to the commission for this program. For 2026 the Executive Compensation will be calculated at 100% against the results of the new 2026 scorecard .

Eligibility:	No changes were made to STIP eligibility.
Structure:	The STIP scorecard was redesigned to place greater emphasis on wildfire mitigation, workforce safety and compliance. The prior-year scorecard consisted of Safety, Customer, Financial and Strategic categories. The current-year scorecard includes Customer Service, Other Improvement, Financial, Environmental, Wildfire Safety and Other Safety – Workforce Safety categories, including specific measures tied directly to wildfire mitigation activities.
Modifier:	The Adjusted Net EPS Scorecard Circuit Breaker continues to apply. If the Adjusted Net EPS threshold is not achieved, all other measures on the scorecard are capped at no more than target. No change was made to this provision.
Metrics	Several metrics were added, removed or revised. New metrics include Focused Index Score for Customer (673 / 696 / 720); Future Vision Index (49 / 55 / 65); Environmental Permit Compliance (3.00 / 2.00 / 1.00); Covered Conductor Installation (5.0 / 7.0 / 10.0); Distribution Pole Replacement and Reinforcements (300 / 400 / 600); Expulsion Fuse Replacement (750 / 1,000 / 1,500); Drone Inspections (100 / 127 / 175); Vegetation Management Clearance (550 / 700 / 1,000); PSIF (1.00 / 0.96 / 0.90), and SBLI (0.83 / 0.58 / 0.22) with values shown as threshold / target / maximum. Removed metrics include Funds From Operations (FFO), Optimize Regulated Business through use of SAP2, Safety Observations and Customer Operational Performance Consolidated Index.

	Adjusted Net EPS was retained, but its performance levels changed from fixed values of US$0.25 / US$0.28 / US$0.31 to Budget −10% / Budget / Budget +10%. The prior-year Severity Based safety measure was revised to Severity Based Lagging Indicators (SBLI), with the threshold changing from 0.90 to 0.83 and target from 0.67 to 0.58; maximum remains 0.22.
Weighting	Adjusted Net EPS decreased from 40% to 30%, and the 20% FFO measure was removed, reducing total financial weighting from 60% to 30%. The 20% SAP2 strategic measure was also removed. The current-year scorecard allocates 50% to five Wildfire Safety measures, each weighted at 10%. The remaining weighting consists of Customer Experience (7.5%), Other Improvement (2.5%), Environmental (2.5%), and Workforce Safety: PSIF (5%) and SBLI (2.5%).
Reason for Changes:	The scorecard was redesigned to more directly align incentive compensation with wildfire mitigation, safety and compliance objectives. The changes reduce the weight placed on financial performance and introduce specific leading measures tied to the execution of wildfire mitigation activities, strengthening accountability for key wildfire risk reduction and safety activities.

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
Current STIP Metric Historical Actual Performance

Metric/Measure	Current Year - 5	Current Year - 4	Current Year - 3	Current Year - 2	Current Year - 1
Customer Service: Focused Index Score for Customer	Not previously tracked				
Other Improvement: Future Vision Index	Not Tracked	66%	57%	43%	49%
Financial: Adjusted net EPS	86.1%	28.57%	0%	50%	200%
Environmental: Environmental Permit Compliance (EPC) ;					
Wildfire Safety: Covered Conductor Installation (miles)	3.75	9.6	5.7	3.9	3.5
Wildfire Safety: Distribution Pole Replacements and Reinforcements (poles)	211	226	292	823	1038
Wildfire Safety: Expulsion Fuse Replacement (fuses)	867	1858	3052	750	907
Wildfire Safety: Other Discretionary asset Inspections (Drone Inspections) (miles)	Incremental Drone Inspection Program Introduced in 2026				
Wildfire Safety: Vegetation Management Clearance (miles)	360.7	701	707	702.1	701.3
Workforce Safety (employee and customer): Potential Serious Injury and/or fatality (PSIF) Rate	0.51 (Q2)	1.15	0.98	0.85	0.82
Workforce Safety (employee and customer): Severity Based Lagging Indicator (SBLI) rate	0.77 (Q2)	0.66	0.46	0.54	0.43

Notes/Context:

Liberty recognizes that Public Utilities Code section 8389(a)(4) requires executive incentive compensation structures to promote safety as a priority. Consistent with this objective, Liberty's incentive compensation programs have been designed to reward achievement of measurable and enforceable performance metrics and to align compensation outcomes with safety, public safety, reliable utility operations, and utility financial stability. Although specific metrics, performance definitions, and calculation methodologies were not previously tracked or have evolved over time as this is Liberty's first submission under this framework, Liberty's compensation philosophy has remained consistent. Incentive compensation has been structured around measurable and enforceable performance objectives intended to promote accountability for business performance. These objectives have included safety, public safety, operational reliability, regulatory compliance, customer service, and the financial stability necessary to provide safe and reliable utility service.

1.3.7 Previous Year STIP Adjustments

Instructions: 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):**

This is Liberty's first submission under this reporting framework. Comparable data is not available because the requested performance metric was not previously tracked, was tracked using a different methodology or definition, or was not measured in a manner that corresponds to the current reporting requirements. As a result, direct year-over-year comparisons are not available.

Although specific metrics, performance thresholds, and evaluation methodologies have evolved over time, as discussed above, Liberty has consistently designed its incentive compensation programs to tie incentive compensation to measurable and enforceable performance metrics and to promote safety as a priority while supporting public safety and utility financial stability. Safety has long been a core consideration in the Company's compensation philosophy, even where historical metrics may not align directly with the categories or definitions required by this application.

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

This is Liberty's first submission under this reporting framework. Comparable data is not available because the applicable performance metric was not previously tracked, was tracked using a different methodology or definition, or was not measured in a manner that corresponds to the current reporting requirements. While specific performance measures and methodologies have changed over time, Liberty has consistently structured its incentive compensation program around measurable and enforceable performance objectives. These objectives are intended to promote accountability, operational reliability, customer service, regulatory compliance, public safety, and the financial stability necessary to provide safe and reliable utility service.

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

This is Liberty's first submission under this reporting framework. Comparable data is not available because foundational goals were not previously tracked in a manner consistent with the current reporting requirements, or were evaluated using different methodologies, definitions, or performance criteria. Notwithstanding the lack of comparable historical data, Liberty's compensation programs have consistently emphasized measurable and enforceable performance objectives that support safety, public safety, operational excellence, and utility financial stability. The Company's compensation philosophy has remained focused on aligning incentive compensation with achievement of these core objectives.

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

This is Liberty's first submission under this reporting framework. Nevertheless, Liberty has consistently utilized incentive compensation programs designed to reward achievement of measurable and enforceable performance goals while balancing financial performance with safety, public safety, and reliable utility operations.

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:

Not Applicable. No additional deductions or upward adjustments were made by executive management, or the Board of Directors outside of the approved incentive compensation framework.

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.

A formula-based reduction is a decrease in STIP compensation that results directly from pre-established performance metrics and scoring methodologies. 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, or executive management, and is typically based on qualitative considerations, specific events, or performance factors not fully captured in the formula.

This is Liberty's first submission under this reporting framework. Accordingly, Liberty has not historically tracked or categorized STIP compensation adjustments using the specific definitions, classifications, and reporting structure requested in Table 1.3.8. As a result, comparable data regarding formula-based reductions and negative discretionary reductions for the past five years are not available in the form requested. To the extent incentive compensation outcomes were reduced under prior STIP programs, such reductions generally resulted from the application of the plan's approved performance goals, scoring methodologies, and payout calculations in effect at the time. Any performance measures and compensation methodologies used during prior years may differ from those reflected in the current application and therefore may not be directly comparable.

Notwithstanding changes in specific metrics, definitions, and compensation methodologies over time, Liberty's incentive compensation philosophy has remained consistent. The Company's STIP programs have been designed to:

- Tie incentive compensation to measurable and enforceable performance metrics; and
- Promote safety as a priority while supporting public safety, reliable utility operations, and the financial stability necessary to provide safe and reliable service.

Accordingly, whether through formula-based performance calculations or management oversight of compensation outcomes, the overarching objective of the STIP program has been to align incentive compensation with accountable performance and the achievement of safety, operational, regulatory, customer, and financial objectives.

Table 1.3.8
Historical STIP Reductions for Individual Metrics and Total STIP Award

Year	Executive Officers' Deductions for Unmet Safety, Wildfire Resiliency, and Other Goals	Provide a summary breakdown showing how the total point deductions are allocated across each unmet goal
Current year - 1	For 2025 the Board applied a downward discretionary adjustment reflecting its focus on safety as a foundational priority.	The board applied a 15.1 point downward discretionary adjustment
Current year - 2	N/A	
Current year - 3	N/A	
Current year - 4	N/A	
Current year - 5	N/A	

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.

This is Liberty's first submission under this reporting framework. Liberty has not historically tracked or reported compensation adjustments using the classifications and reporting categories requested in Table 1.3.9. Accordingly, information regarding historical adjustments over the past five years is not available in the format requested or may not be directly comparable due to differences in performance metrics, definitions, methodologies, and compensation plan design.

Liberty's compensation under the STIP program was generally determined in accordance with the performance goals, scoring methodologies, and payout formulas approved for the applicable plan year. To the extent any adjustments were made to increase or decrease compensation beyond formula-based outcomes, such adjustments were made in accordance with the governance processes and discretion permitted under the applicable compensation plan, with compensation outcomes appropriately reflecting overall performance and business circumstances. While specific performance metrics and compensation methodologies have evolved over time, Liberty's compensation philosophy has remained consistent. The Company's incentive compensation programs have been designed to:

- Tie incentive compensation to measurable and enforceable performance metrics; and
- promote safety as a priority while supporting public safety, reliable utility operations, and the financial stability necessary to provide safe and reliable service.

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

Year	Amount of any Board Discretionary Increase to Earned STIP Metric Value or Total STIP Award	Detailed Description/Explanation
Current year - 1	N/A	N/A
Current year - 2	N/A	N/A
Current year - 3	N/A	N/A
Current year - 4	N/A	N/A
Current year - 5	N/A	N/A

1.3.9 Current Year STIP Metric Ties to Other Metrics

Rationale: Understand how an electrical corporation's Executive Compensation Structure metrics relate to its WMP, SPMs and SOMs. The CPUC requires PG&E, SCE, Southern California Gas Company (SoCalGas) and SDG&E (collectively the investor-owned utilities or IOUs) to annually report on safety performance metrics (SPMs) to measure achieved safety improvements.[4] Additionally, the CPUC adopted Safety and Operational Metrics (SOMs) for PG&E[5] to be used in accordance with the approved PG&E's post-bankruptcy reorganization plan.[6]

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.

4 CPUC Decision 19-04-020: https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M288/K389/288389255.PDF, (accessed March 27, 2026).

5 CPUC Decision 21-11-009 in eight separate files: https://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=421107805, (accessed March 27, 2026).

6 CPUC Decision 20-05-053: https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M338/K816/338816365.PDF, (accessed March 27, 2026).

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
Customer Service: Focused Index Score for Customer	No	No	No	N/A	No	N/A	N/A
Other Improvement: Future Vision Index	No	No	No	N/A	No	N/A	N/A
Financial: Adjusted Net EPS	No	No	No	N/A	No	N/A	N/A
Environmental: Environmental Permit Compliance	No	No	No	N/A	No	N/A	N/A
Wildfire Safety: Covered Conductor Installation	Yes	WMP-GDOM-GH-01	No	N/A	No	N/A	N/A
Wildfire Safety: Distribution Pole Replacements and Reinforcements	Yes	WMP-GDOM-GH-03	No	N/A	No	N/A	N/A
Wildfire Safety: Expulsion fuse replacement	Yes	WMP-GDOM-GH-12b	No	N/A	No	N/A	N/A
Wildfire Safety: Other discretionary asset inspections: Drone inspections (new)	Yes	WMP-GDOM-AI-04	No	N/A	No	N/A	N/A
Wildfire Safety: Wildfire Mitigation: Vegetation Management Clearance	Yes	WMP-VM-VFM-05	No	N/A	No	N/A	N/A
Workforce Safety: Potential Serious Injury and/or Fatality (PSIF) Rate	No	No	Yes	17, 18	Yes	1.1, 1.2	PSIF is an incident, near-miss, or hazardous condition where the actual outcome was minor or resulted in no injury, but could have reasonably resulted in a SIF if circumstances were slightly different.
Workforce Safety: Severity Based	No	No	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
Lagging Indicators (SBLI)							

1.4 Long-Term Incentive Program (LTIP)

Rationale: For the issuance of a Certificate, Public Utilities Code section 8389(a)(4) requires that electrical corporations' executive incentive compensation structures are "structured to promote safety as a priority and to ensure public safety and utility financial stability with performance metrics, including incentive compensation based on meeting performance metrics that are measurable and enforceable, for all executive officers." To ensure that the executive compensation structure for electrical corporation executive officers is structured to promote safety as a priority and ensure public safety and utility financial stability, Energy Safety must have an in-depth understanding of the performance-based components of an executive compensation structure.

Public Utilities Code section 8389(a)(6)(A)(i)(I) requires "[s]trict limits on guaranteed cash compensation, with the primary portion of the executive officers' compensation based on achievement of objective performance metrics." Subsection (i)(II), requires "[n]o guaranteed monetary incentives in the compensation structure." Subsection (ii) requires that the compensation structure "satisfies the compensation principles identified in paragraph (4)," noted above. Subsection (iii) requires "[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. This compensation shall be held or deferred for a period of at least three years." Subsection (iv) requires "[m]inimization or elimination of indirect or ancillary compensation that is not aligned with shareholder and taxpayer interest in the electrical corporation."

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	Executive Name	LTIP Target Percentage of Base Salary
President	Eric Schwarzrock	[redacted]
Secretary and Treasurer	Peter Stoltman	[redacted]

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

Definitions: In the case of the LTIP, the "current year" refers to the first year of the performance period beginning in the submission year and ending in accordance with the vesting schedule. For example, for a 2026 submission with performance share units that vest after three years, the "current year" refers to 2026, and the performance period refers to 2026-2028.

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

LTIP Award Type	Weight	Target Measurement	Vesting
Performance Shares (collectively weighted at 100%)			
PSU	25%	1. Operating expenses: <101% of authorized budget	3-year Cliff vest
	25%	2. Capital Investment: 100% of budget	
	50%	3. Wildfire due to reportable ignitions: <30 acres,)	

Each LTIP metric includes objective performance criteria and defined measurement methodologies. Collectively, the metrics are intended to support safe utility operations, wildfire risk mitigation, operational execution, and financial stewardship. The use of objective thresholds and performance targets that aligns incentive compensation to measurable and enforceable performance outcomes.

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

This is Liberty's first submission under this program. One of the two executives received a Restricted Share Unit (RSU) award. This was a one-time award and is not intended to form part of the ongoing LTIP structure being considered under this application. The RSU award applies to the current year only and will not be applicable in future years.

1. Is any LTIP compensation not at risk?

Yes: No: X

Describe/Explain whether answering either Yes or No.

LTIP compensation is at-risk and contingent upon the achievement of pre-established performance goals. Liberty does not provide guaranteed LTIP payouts; participants earn awards only to the extent that applicable performance criteria are achieved. Performance Share Units are collectively weighed at 100%. The design of the LTIP program is intended to align executive compensation with measurable and enforceable performance outcomes. LTIP awards are tied to approved performance goals and are subject to established performance thresholds, targets, and payout provisions. If threshold performance is not achieved, participants may receive a reduced payout or no payout, depending on the level of performance attained.

Performance results are evaluated and certified by the Board of Directors, which verifies achievement against the approved performance criteria before any payouts are authorized.

Consistent with Liberty's overall compensation philosophy, the LTIP program is designed to promote accountability by directly linking compensation opportunities to performance. The program has consistently been structured to: (1) tie incentive compensation to measurable and enforceable performance metrics, and (2) promote safety as a priority while supporting public safety, reliable utility operations, and the financial stability necessary to provide safe and reliable utility service. Accordingly, LTIP compensation is earned based on demonstrated performance against established goals rather than being guaranteed or provided without performance risk, ensuring that executive incentives remain aligned with the long-term interests of customers, regulators, and the utility.

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

Table 1.4.3
LTIP Metric Performance Range(s) for the Current Year

	Below Minimum	Minimum	Target	Maximum
Examples:				
All LTIP Metrics	0%	25%	100%	150%

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

Liberty applies linear (straight-line) interpolation between the established performance levels. Where actual performance falls between Minimum, Target, and Maximum, the applicable payout percentage is determined proportionally between the corresponding payout levels. Performance below Minimum yields a 0% payout.

2. 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: X No:

If "Yes," describe any performance triggers: N/A

Each LTIP performance metric has an established threshold that must be achieved for a payout to be earned for that metric. If the applicable threshold is not achieved, no payout is earned for that metric.

3. 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: X**

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

.

4. 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: X**

If "Yes," describe all specific/defined discretionary deductions that are part of the structure: Not Applicable.

5. Changes in the LTIP Structure, Performance Ranges, Performance

Structure	The LTIP structure has been revised from a combination of 50% Restricted Share Units (RSUs) and 50% Performance Share Units (PSUs) to 100% PSUs. Under the prior structure, the RSU portion was time-based and the PSU portion was performance-based over a three-year performance period. Under the revised structure, 100% of the LTIP award is performance-based over a three-year performance period.
Performance Metrics	The prior PSU design measured performance based on relative Total Shareholder Return (rTSR) and Adjusted Net EPS, each weighted 50% of the PSU portion. The revised LTIP replaces these measures with three measures more directly aligned with Liberty's financial and wildfire safety performance: • Operating Expenses – 25% • Capital Investment – 25% • Wildfire Safety – Reportable Ignitions/Acres – 50%
Performance Ranges	New Minimum, Target and Maximum performance levels have been established for each of the three measures. Operating Expenses is measured against budget, with performance ranging from actual operating expenses below 103% of budget at Minimum to below 90% of budget at Maximum. Capital Investment is measured against budget, with Minimum at 90% of budget, Target at 100%, and Maximum at 102%–105% of budget. Should the results exceed 105.1%, no payout will be made. Wildfire Safety performance ranges from less than 150 acres at Minimum, to less than 30 acres at Target, to zero reportable ignitions at Maximum. This performance metric will be measured over a 3-year period with the final payout based on cumulative performance over 3-years
Weighting	Under the prior structure, 50% of the overall LTIP award was performance-based through PSUs, with rTSR and Adjusted Net EPS each weighted 50% of the PSU portion. Under the revised structure, 100% of the LTIP is performance-based, with Operating Expenses weighted 25%, Capital Investment weighted 25%, and Wildfire Safety – Reportable Ignitions/Acres weighted 50%.
Reason for Changes	The LTIP was redesigned to increase the portion of long-term compensation directly tied to measurable performance and to more closely align executive incentives with Liberty's long-term financial

	stewardship, infrastructure investment and wildfire safety objectives. Moving from a 50% RSU / 50% PSU structure to 100% PSUs places the full LTIP opportunity at risk based on performance and more directly aligns long-term incentive outcomes with utility-specific performance.

6. 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 X No: ☐

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 1.4.4
Current Year LTIP Measures

Measure/Metric	Definition	Calculation Methodology	Any Adjustment / Exclusions	Weight	Min.	Target	Max.
Financial - Operating Expenses	Day to day expenses to operate, maintain, and manage its business, including wildfire mitigation programs such as inspection or vegetation management, and provide safe and reliable service to customers. These expenses do not include capital investments	Actual Operating Expenses divided by Budgeted Operating Expenses	None	25%	Actual operating expenses <103% of budget	Actual operating expenses <101% of budget	Actual operating expenses <90% of budget
Financial - Capital Investment	Capital program includes investments in utility infrastructure, wildfire mitigation, system hardening, asset replacement, and other projects necessary to provide safe and reliable electric service. Performance against this metric will demonstrates management's ability to effectively plan, prioritize, and execute critical infrastructure projects while exercising strong financial stewardship	Actual Capital Investment divided by Budgeted Capital Investment	None	25%	Actual investment 90% of budget	Actual investment 100% of budget	Actual investment 102% - 105% of budget *
Wildfire Safety - Wildfire due to reportable ignitions	The number and severity of reportable ignition events attributable to Liberty's electrical facilities. A lower number of reportable ignitions or acres burned reflects effective execution of wildfire mitigation strategies and operational practices	Wildfire due to reportable ignitions (50%)	None	50%	<150 acres	<30 acres **	0 reportable ignitions

* If achievement is greater than 105.1% of budget, no payout will be made

** This performance metric will be measured over a 3-year period with the final payout based on cumulative performance over 3-years

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: X No:

The prior-year grants were RSUs and PSUs, with PSU performance based on Adjusted Net EPS and relative TSR. For 2026, the structure has been updated to 100% PSUs with WMP-aligned metrics, including a 50% weighting on Wildfire Safety.

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

This is Liberty's first submission under this reporting framework. Comparable historical performance data for LTIP metrics that vested the prior year is not available in the format requested because the applicable metrics were not tracked or maintained on an annual basis using the definitions, methodologies, classifications, or reporting structure required by this application but, rather, cumulatively.

No executive has PSUs that vested in the previous year based on the 2023 metrics. The results were at the parent company level.

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	Y1 (= Current Year - 5) Value	Y2 (= Current Year - 4) Value	Y3 (= Current Year - 3) Value	Y4 (= Current Year - 2) Value	Y5 (= Current Year - 1) Value
Efficiency	88.20%	60.60%	48.80%	45.60%	92.71%
Safety	.61R	.60R	.60R	.67R	.52R
Customer Service	89.90%	88.80%	-	-	-
Sustainability	-	-	9 ESG - 6 achieved / partially achieved or exceeded %	996MW	916MW
Performance Factor	109.50%	92.50%	76.30%	88.00%	120.00%
TSR Modifier	80.00%	80.00%	80.00%	80.00%	80.00%
Final Performance	87.60%	74.00%	61.00%	70.40%	96.00%

Notes/Context: This is Liberty's first submission under this reporting framework. As such, not all comparable historical performance data for LTIP metrics that vested during the prior five years is available in the format requested because the applicable metrics were not previously tracked, reported, or maintained using the definitions, methodologies, classifications, or reporting structure required by this application. In addition, certain performance measures were evaluated using different methodologies, definitions, and performance criteria, making direct year-over-year comparisons impracticable. While specific LTIP metrics, performance goals, and measurement approaches have evolved over time to reflect changing business, operational, and regulatory priorities, Liberty's compensation philosophy has remained consistent. Liberty's long-term incentive compensation program has been designed to a: Tie incentive compensation to measurable and enforceable performance metrics; and b: Promote safety as a priority while supporting public safety, reliable utility operations, and the financial stability necessary to provide safe and reliable utility service.

Liberty's LTIP program has consistently linked compensation outcomes to objective performance measures intended to drive accountability, promote safe utility operations, support public safety, and encourage the long-term financial stability required to serve customers effectively. Liberty's customer metric evolved to sustainability, which is built around operation excellence. This encompasses the broader responsibility of Liberty to promote safety as a priority while supporting public safety, reliable utility operations, and the financial stability necessary to provide safe and reliable utility service.

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):**

This is Liberty's first submission under this reporting framework. Comparable historical performance data for LTIP metrics that vested during the prior year is not available in the format requested because the applicable metrics were not previously tracked or maintained using the definitions, methodologies, classifications, or reporting structure required by this application. In addition, certain performance measures were evaluated using different methodologies, definitions, and performance criteria, making direct comparisons impracticable. While specific LTIP metrics, performance goals, and measurement approaches have evolved over time to reflect changing business, operational, and regulatory priorities, Liberty's compensation philosophy has remained consistent. Liberty's long-term incentive compensation program has been designed to a: Tie incentive compensation to measurable and enforceable performance metrics; and b: Promote safety as a priority while supporting public safety, reliable utility operations, and the financial stability necessary to provide safe and reliable utility service. Accordingly, although comparable historical data is not available for certain years or metrics, Liberty's LTIP program has consistently linked compensation outcomes to objective performance measures intended to drive accountability, promote safe utility operations, support public safety, and encourage the long-term financial stability required to serve customers effectively.

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

This is Liberty's first submission under this reporting framework. Comparable historical performance data for LTIP metrics that vested during the prior year is not available in the format requested because the applicable metrics were not previously tracked, reported, or maintained using the definitions, methodologies, classifications, or reporting structure required by this application. In addition, certain performance measures were evaluated using different methodologies, definitions, and performance criteria, making direct comparisons impracticable. While specific LTIP metrics, performance goals, and measurement approaches have evolved over time to reflect changing business, operational, and regulatory priorities, Liberty's compensation philosophy has remained consistent. Liberty's LTIP program has been designed to a: Tie incentive compensation to measurable and enforceable performance metrics; and b: Promote safety as a priority while supporting public safety, reliable utility operations, and the financial stability necessary to provide safe and reliable utility service. Accordingly, although comparable historical data is not available for certain years or metrics, Liberty's LTIP program has consistently linked compensation outcomes to objective performance measures intended to drive accountability, promote safe utility operations, support public safety, and encourage the long-term financial stability required to serve customers effectively.

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:**

This is Liberty's first submission under this reporting framework. Comparable historical performance data for LTIP metrics that vested during the prior year is not available in the format requested because the applicable metrics were not previously tracked, reported, or maintained using the definitions, methodologies, classifications, or reporting structure required by this application. In addition, certain performance measures were evaluated using different methodologies, definitions, and performance criteria, making direct comparisons impracticable. While specific LTIP metrics, performance goals, and measurement approaches have evolved over time to reflect changing business, operational, and regulatory priorities, Liberty's compensation philosophy has remained consistent. Liberty's long-term incentive compensation program has been designed to a: Tie incentive compensation to measurable and enforceable performance metrics; and b: Promote safety as a priority while supporting public safety, reliable utility operations, and the financial stability

necessary to provide safe and reliable utility service. Accordingly, although comparable historical data is not available for certain years or metrics, Liberty's LTIP program has consistently linked compensation outcomes to objective performance measures intended to drive accountability, promote safe utility operations, support public safety, and encourage the long-term financial stability required to serve customers effectively.

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.

Response: This is Liberty's first submission under this reporting framework. Accordingly, Liberty has not historically tracked, categorized, or maintained LTIP compensation adjustments using the specific definitions and reporting structure requested in Table 1.4.7. To the extent LTIP compensation was reduced under prior plans, such reductions generally resulted from the application of the approved performance metrics, thresholds, and payout methodologies in effect for the applicable performance period. Where performance fell below established targets, payouts were reduced in accordance with the plan design and approved scoring methodology. Although specific metrics and methodologies have changed over time, Liberty's long-term incentive compensation philosophy has remained consistent. The LTIP program has been designed to: Tie incentive compensation to measurable and enforceable performance metrics; and Promote safety as a priority while supporting public safety, reliable utility operations, and the financial stability necessary to provide safe and reliable utility service. Accordingly, any formula-based reductions reflected the performance outcomes achieved relative to established objectives and reinforced the principle that incentive compensation should be earned based on demonstrable results. The program's performance measures have been structured to encourage accountability for safety, operational excellence, regulatory compliance, and financial performance, recognizing that the long-term financial stability of the utility supports its ability to provide safe and reliable service to customers. To the extent discretionary reductions were permitted under prior plans, any such actions would have been subject to the governance and oversight processes established by the Board of Directors. Liberty is not aware of any historical records maintained in a manner that would allow

reporting of such adjustments under the specific categories required by this application. Nevertheless, the overarching objective of Liberty's LTIP program has consistently been to align compensation outcomes with measurable performance and the achievement of goals that prioritize safety, public safety, reliable utility operations, and utility financial stability.

Table 1.4.7

Historical LTIP Reductions

Year	Total 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
	Not applicable.	Not applicable.

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

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
2023 LTIP PSU	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Not applicable. No LTIP awards were earned or vested for Liberty's executive officers during the previous year. Accordingly, neither executive officer qualified for an LTIP payout based on the applicable performance criteria, and no LTIP compensation was awarded or vested during the reporting period.

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

1. The target grant value is determined by applying the LTIP target percentage assigned to the participant based on their level to their base salary. The target grant value is then divided by the volume weighted average trading price (VWAP) of the Shares for the five (5) consecutive trading days immediately preceding the grant date to determine the number of units granted. The resulting number of units is rounded down to the nearest whole unit.

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

Following the grant, dividend equivalents are accumulated quarterly as additional units. At the end of the performance period, the performance result is applied to the total accumulated units, including dividend equivalents, and the number of units is rounded down to the nearest whole share. The value of the vested award is then based on the share price at vesting. As a result, the actual value of the award as a percentage of base salary may be higher or lower than the original target due to performance results, dividend equivalents and changes in share price over the vesting period

1.5 Catastrophic Wildfire History

Rationale: Public Utilities Code section 8389(a)(4) requires an electrical corporation to have an executive incentive compensation structure that promotes safety as a priority and is structured to ensure public safety and utility financial stability. It states that the structure may include tying 100 percent of incentive compensation to safety performance and denying all incentive compensation in the event the electrical corporation causes a catastrophic wildfire that results in one or more fatalities. Energy Safety must have an in-depth understanding of incentive compensation denied as a result of a catastrophic wildfire caused by an electrical corporation.

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

Not applicable.

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).[7]

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."

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7 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).

- 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 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

Rationale: As part of the documentation required to obtain a Certificate, Public Utilities Code section 8389(a)(6)(A)(i)(I) mandates that "the electrical corporation has established a compensation structure for any new or amended contracts, plans, or arrangements, whether written or unwritten, for executive officers" that meets several principles, including "strict limits on guaranteed cash compensation, with the primary portion of the executive officers' compensation based on achievement of objective performance metrics." To evaluate an electrical corporation's compliance with this requirement, Energy Safety needs to know: (a) who are the electrical corporation's executive officers and (b) what compensation structure exists.

Definition: "Executive officer" is defined in Public Utilities Code section 451.5(c) and "means any person who performs policy making functions and is employed by the public utility subject to the approval of the board of directors, and includes the president, secretary, treasurer, and any vice president in charge of a principal business unit, division, or function of the public utility." Energy Safety considers divisions or units responsible for electrical operations, gas operations or wildfire-related functions principal business units, divisions, or functions of the public utility.

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

Executive Title/Function and name	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
President Eric Schwarzrock	[redacted]	[redacted]	N/A	[redacted]	N/A
Secretary and Treasurer Peter Stolman	[redacted]	[redacted]	N/A	[redacted]	N/A

List all types of indirect and ancillary compensation included in Table 1.6.1: None.

1.7 Indirect or Ancillary Compensation

Rationale: Public Utilities Code section 8389(a)(6)(A)(iv) requires, for the issuance of a Certificate, that "the electrical corporation has established a compensation structure for any new or amended contracts, plans, or arrangements, whether written or unwritten for executive officers" that meets several principles, including "minimization or elimination of indirect or ancillary compensation that is not aligned with shareholder and taxpayer interest in the electrical corporation." To ensure that the compensation structure for new or amended contracts, plans, or arrangements, whether written or unwritten, whether written or unwritten for executives officers is based on this principle of minimization of indirect or ancillary compensation, Energy Safety must understand what indirect or ancillary compensation are given to executive officers.

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.

Liberty does not provide indirect or ancillary compensation to the identified executive officers beyond benefit programs that are generally available to eligible employees. Accordingly, there are no executive officer-specific indirect or ancillary compensation arrangements, whether written or unwritten, to report in Table 1.7.1. As a result, Liberty emphasizes compensation elements that directly align executive pay with performance outcomes rather than indirect or ancillary benefits. Because no indirect or ancillary compensation is provided beyond generally available employee benefit programs, the estimated proportion of total compensation attributable to such compensation for the identified executive officers is 0%. To the extent employee benefit programs are available to executive officers, they are offered on substantially the same basis as other eligible employees and are not intended to provide additional compensation outside Liberty's performance-based compensation framework.

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 451.5 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: X

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

Not applicable. Liberty does not offer supplemental retirement plans for non-Executive Officers.

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).

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.

Not applicable. Liberty does not provide Supplemental Executive Retirement Plans (SERPs) to executive officers.

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.[9] [10]

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).

1.8.1 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.**

Liberty has not publicly disclosed executive compensation arrangements in a manner comparable to this filing. Liberty is providing detailed information about its executive compensation structure in this submission to Energy Safety.

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 Section 2 of AB 1054 describes the state's substantial interest in its electrical corporations operating in a safe and reliable manner and with access to capital at reasonable cost to make safety investments. A Certificate encourages electrical corporations investment in safety and the improvement of safety culture to limit wildfire risks and reduce costs.

10 CA AB 1054, 2019-2020 Regular Session (2019), https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB1054, (Accessed April 28, 2026).

2. **Written compensation agreements for executives.**

Liberty maintains written compensation plans, programs, and processes that establish the terms and conditions of executive compensation.

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

Liberty's LTIP program includes performance share units (PSU) that vest over three-years, thereby reinforcing accountability for sustained performance. Deferring a significant portion of incentive compensation encourages executive decision-making that supports long-term value creation and discourages short-term actions that could compromise safety, reliability, or financial health.

Consistent with Liberty's compensation philosophy, long-term incentives are tied to measurable and enforceable performance metrics and are structured to support safety, public safety, reliable utility operations, and long-term financial stability. By linking compensation to performance over multiple years, the program promotes sustained achievement of operational, safety, and financial objectives.

4. **Basing a significant component of long-term incentive compensation on safety performance, as measured by a relevant subset of the Safety and Operational Metrics to be developed, as well as customer satisfaction, engagement, and welfare.**

Liberty’s compensation structure aligns with this element of ACR 9 by incorporating safety performance as a significant component of long-term incentive compensation. The design of the LTIP reflects the Company’s commitment to making safety performance an important consideration in executive compensation and reinforcing accountability for long-term safety outcomes. Liberty’s LTIP includes performance measures that are directly linked to safety and operational performance, including measures related to wildfire risk and safety performance. These measures are intended to reflect Liberty’s commitment to safety. Annual review of awards by an independent consultant.

Executive compensation programs are reviewed through the Company’s compensation administration processes, including oversight by the Board of Directors. External compensation expertise may be utilized as appropriate to evaluate program design, competitiveness, and alignment with Company objectives. These reviews help compensation programs to support measurable and enforceable performance outcomes and to remain aligned with Liberty's commitment to safety, public safety, operational reliability, and financial stability

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

This is Liberty's first submission for this program. Liberty will comply with annual reporting as required. **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.**

Liberty recognizes that executive compensation should appropriately reflect safety performance and accountability. Consistent with its compensation philosophy, Liberty's incentive compensation programs are designed to align compensation with measurable and enforceable performance objectives and to prioritize safety and public safety. If the Company causes a catastrophic wildfire resulting in one or more fatalities, the Board shall evaluate the appropriate adjustment, including the potential denial of STIP awards, based on the circumstances of the event, executive accountability, public safety impacts, and the objectives of Public Utilities Code § 8389. The applicable Plan Year may be the Plan Year in which the catastrophic wildfire or fatality occurs or, where the determination of causation is made subsequently, the Plan Year in which the Company's responsibility for the event is finalized.

6. **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.**

Liberty's executive compensation framework is intended to promote accountability and align compensation outcomes with responsible conduct. To the extent permitted under applicable compensation arrangements and employment agreements, Liberty may consider misconduct, violations of law, breaches of policy, safety failures, or other significant performance concerns when evaluating compensation outcomes. Liberty's compensation philosophy is grounded in measurable and enforceable performance expectations and supports the objectives of safety, public safety, reliable utility operations, and utility financial stability.

Attachment 2: Terms, Acronyms & Definitions

Term	Definition for Executive Compensation Filing Purposes
Amended Contract	Any compensation contract whose terms and conditions have been changed after the initial contract terms were established. Any modification in compensation terms and conditions, including modifications to Short-Term and/or Long-Term Incentive Program structures, is an amendment to a contract. Continuing employment under those modified terms and conditions implies an employee's acceptance of the modified terms and conditions.
Base Salary	Base Salary includes all regular, non-incentive-based cash or equity compensation paid to an individual. Base Salary can include cash and equity compensation based on longer than weekly, bi-weekly, or monthly terms if the award of that compensation is not incentive based (see Incentive-Based Compensation). Benefits unique to executives are indirect or ancillary compensation.
Benefit Programs	Provide financial security in the case of death, disability, sickness, or retirement. They include statutory benefits such as Social Security, Medicare, Workers Compensation, and Unemployment Insurance. Executives also participate in other company benefits such as vacation, holidays, sick days, severance pay, life insurance, and medical insurance.
Cliff Vesting	Cliff vesting is when an employee becomes fully vested on a specified date rather than becoming partially vested in increasing amounts over an extended period.
Earned Value	Value at the date of vesting.

Term	Definition for Executive Compensation Filing Purposes
Earnings Targets or Earnings Thresholds	An amount of corporate earnings (typically measured as earning per share) that must be achieved before some, or all, of an element of incentive compensation is paid out.
Executive Officer	Executive officer means any person who performs policy making functions and is employed by the public utility subject to the approval of the board of directors, and includes the president, secretary, treasurer, and any vice president in charge of a principal business unit, division, or function of the public utility as outlined in Public Utilities Code section 451.5(c).[11] Energy Safety considers divisions or units responsible for electric operations, gas operations or wildfire-related functions principal business units, divisions or functions of the public utility.
Foundational Goal	A goal or collection of goals, that if not met, can result in a deduction to the amount of the STIP award. This failure is separate from any deductions due to a failure to meet a required performance trigger. Effectively, foundational goals operationalize the normal discretion afforded by a Board of Directors
Graded Vesting	Graded vesting is a type of vesting in which employees receive a certain percentage of vesting after each year of service. The percentage increases a certain amount each year. For example, many companies use a five-year schedule in which the employee receives 20 percent each year.
Grant Value	Value determined using the same methodology used to determine grant value for that form of compensation for the electrical corporation's officers whose compensation is disclosed in a proxy statement. If none of the electrical corporation's officers have compensation disclosed in a

[11] Public Utilities Code Section 451.5(C) (https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=451.5&lawCode=PUC, accessed March 27, 2026).

Term	Definition for Executive Compensation Filing Purposes
	proxy statement, then the grant value would be determined using the methodology that would apply if Item 402(c) of Regulation S-K applied to the disclosure of the compensation for the electrical corporation's executive officers.
Incentive-Based Compensation	Compensation awarded based on meeting performance metrics that are measurable and enforceable.
Indirect or Ancillary Compensation	Indirect or ancillary compensation are special entitlement programs made available to all executives or a select group of executives. Indirect or ancillary compensation can include but are not limited to supplemental insurance, health club, country club or other memberships, company cars, drivers to and from work, first class travel, the use of company airplanes for personal travel, financial planning services, security services, coverage of relocation costs, home purchase/sale assistance, supplemental disability and life insurance, and pension benefits.
Long-Term Incentive Program	The Long-Term Incentive Program (LTIP) includes all incentive-based compensation held or delayed for three or more years. To determine whether compensation is "delayed three or more years" subtract the calendar year of grant from the calendar year of payment.
Majority	Greater than 50 percent.
Named Executive Officers (NEOs)	As defined by the Securities and Exchange Commission.
New Contract	A new contract is any compensation contract or agreement entered on or after the date of an electrical corporation's previous executive compensation structure submission to Energy Safety. For the purposes of compliance with section 8389(a)(4) and section 8389(a)(6)(A), executive officers are presumed to have a compensation contract under California law.

Term	Definition for Executive Compensation Filing Purposes
Performance Share Unit (PSU)	Performance shares, as a form of stock compensation, are allocations of company stock given to managers and executives granted only if certain company-wide performance criteria are met.
Performance Trigger	A goal that must be met for there to be any payout of a short-term or long-term incentive category or the entire incentive. It is not a deduction or discretionary.
Performance-Based Restricted Share Unit (PRSU)	See definition of Performance Share Unit.
Restricted Share Unit or Restricted Stock Unit (RSU)	RSUs are a form of stock-based employee compensation. An employee is granted a certain number of shares which they will receive in the future. RSUs are restricted during a vesting period (typically 3-5 years), during which time they cannot be sold. Upon vesting, they are just like any other shares of company stock. Unlike stock options, RSUs will always have some value based on the underlying shares. The entire value of vested RSUs must be included as ordinary income in the year of vesting for tax purposes.
Safety and Operational Metrics (SOMs)	Safety and Operational Metrics (SOMs) are a set of metrics used by the California Public Utilities Commission (CPUC) to monitor and evaluate Pacific Gas and Electric Company's (PG&E) safety performance and risk mitigation efforts, including wildfire safety, electric reliability, and natural gas safety.[12]
Safety Performance Metrics (SPMs)	Safety Performance Metrics (SPMs) are a set of metrics used by the California Public Utilities Commission (CPUC) to assess utilities' safety performance and risk mitigation

12 Safety and Operational Metrics (SOMs): https://www.cpuc.ca.gov/about-cpuc/divisions/safety-policy-division/wildfire-and-safety-performance/safety-and-operational-metrics, (accessed March 27, 2026).

Term	Definition for Executive Compensation Filing Purposes
	efforts in areas such as electric, gas, worker, and public safety.
Short-Term Incentive Program	The Short-Term Incentive Program (STIP) includes all incentive-based compensation awarded on a performance term of less than three years.
Stock Grant	The award of shares of stock in a company.
Stock Option	The option to purchase stock in a company at a set price at a future date in time.
Supplemental Executive Retirement Plan (SERP)	A nonqualified retirement plan for key company employees, such as executives, provides benefits above and beyond those covered in other retirement plans. There are two general types of SERPs: Unfunded and funded. For an unfunded SERP, the employer contractually promises to pay certain compensation-related benefits at a date in the future. However, that contractual agreement or promise is not secured. An unfunded plan is subject to creditor claims. For a funded SERP, the company puts the assets in a trust account. A funded plan is generally not subject to creditor claims.
Supra-Majority	Over two-thirds.
Total Compensation (TC)	The sum of: Base Salary + Short-Term Incentive Program compensation + Long-Term Incentive Program compensation + Indirect and Ancillary compensation.
Total Direct Compensation (TDC)	The sum of: Base Salary + Short-Term Incentive Program (STIP) compensation + Long-Term Incentive Program (LTIP) compensation.
Total Incentive Compensation (TIC)	The sum of: Short-Term Incentive Program (STIP) compensation + Long-Term Incentive Program (LTIP) compensation.

Attachment 3: Metric Categories and Subcategories

Electrical corporations submitting requests for approval of executive compensation structures must categorize metrics in accordance with the following guidelines:

Categories

Metrics must be assigned to the following categories:

- Wildfire Safety
- Workforce Safety
- Other Safety
- Security (infrastructure, cyber, etc.)
- Customer Service (including satisfaction)
- Environmental
- Reliability
- Other Operational/Improvement
- Financial

Safety Metric Subcategories

Safety metrics must be classified and reported in the following subcategories:

- Wildfire Mitigation
- Emergency Response
- Public Safety – Other Electric[13]
- Public Safety – Gas[14]
- Public Safety – Generation[15]
- Workforce Safety (employee and contractor)

Categorization Guidelines

Use the following guidelines when categorizing metrics. This list is not meant to be exhaustive. The intent of the guidelines must be considered when categorizing other metrics not specified in this list.

- Financial: Achievement of any capital expenditure targets (regardless of

13 Not including emergency response (either internal or external).
14 Not including emergency response (either internal or external).
15 Not including emergency response (either internal or external).

type) must be classified as financial.

- Reliability: System Average Interruption Duration Index (SAIDI), System Average Interruption Frequency Index (SAIFI), Customer Average Interruption Duration Index (CAIDI) and Customers Experiencing Multiple Interruptions (CEMI) must be classified as Reliability (Electric Reliability).