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Director, Compensation

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March 14, 2022

Ms. Caroline Thomas Jacobs  
Director, Office of Energy Infrastructure Safety  
715 P Street, 20th Floor  
Sacramento, California 95814

Re: Request for Approval of 2022 Executive Compensation Structure

Dear Director Thomas Jacobs:

Pacific Gas and Electric Company (“PG&E”) is submitting herewith information regarding its 2022 executive compensation structure. PG&E’s submission demonstrates that the structure complies with the requirements of Assembly Bill (“AB”) 1054 as codified in Public Utilities Code § 8389(e)(4) and (e)(6). PG&E formally requests that the Office of Energy Infrastructure Safety (“Energy Safety”) approve the 2022 structure pursuant to Public Utilities Code § 8389(e)(6)(B).

PG&E also submits this cover letter to address two additional topics specific to executive compensation: (i) how PG&E construes “executive officer” as used in AB 1054; and (ii) the manner in which PG&E’s executive compensation structure satisfies certain requirements of the California Public Utilities Commission’s (“Commission”) June 1, 2020 Decision Approving [the Chapter 11] Reorganization Plan of PG&E and PG&E Corporation (D.20-05-053).

### **Scope of the Term “Executive Officer”**

AB 1054 incorporates the definition of “executive officer” in Public Utilities Code § 451.5,<sup>1</sup> which is: “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.” PG&E construes this definition to require, among other things, that the officer “perform[] policy making functions” before the officer qualifies as an “executive officer,” regardless of whether the officer bears one of the titles listed (*e.g.*, secretary or treasurer). Accordingly, PG&E has not included in the attached filing information about the compensation of its corporate Secretary and Treasurer, because at PG&E, these individuals do not “perform[] policy making functions.”

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<sup>1</sup> See Pub. Util. Code § 8389(e)(4), (e)(6)(A).

This reading is consistent with background principles of California corporate law and guidance provided by Energy Safety. As explained by another California utility,<sup>2</sup> the three positions listed in § 451.5 reflect repealed corporate law provisions that previously required California corporations to have as officers at least a president, a secretary, a treasurer, and a vice president.<sup>3</sup> With only four officer positions, each one would tend to have a policy-making function. That is no longer the case under current California law, and many corporations, PG&E included, have significantly more than four officers.

Energy Safety's required Information Template for 2022 executive compensation submissions reflects this reading of the statute. Energy Safety requires utilities to list in the template their three top tiers of officers (by position), and then, for any officer the utility deems not to be an "executive officer," explain why not. OEIS gave hypothetical examples in the template, and notably, listed "Executive Secretary" and "Treasurer" as examples, with the rationale, "[Company] has excluded [this individual] as this individual does not perform policy making functions and is not subject to approval of the board of directors."<sup>4</sup>

PG&E agrees that this is consistent with the statutory definition of "executive officer," and with the statute's focus on whether the individual "performs policy making functions." Because PG&E's corporate Secretary and Treasurer do not perform policy making functions, their compensation information is not contained in the attached submission.

### **The Requirements of D.20-05-053**

D.20-05-053 adopted, in part and with modifications, the executive compensation-related proposals contained in a February 18, 2020 Assigned Commissioner's Ruling in the proceeding regarding PG&E's and PG&E Corporation's Chapter 11 Plan of Reorganization (the "POR OI"). Energy Safety has directed "PG&E [to] note in its submission how it is addressing the[se] various additional requirements."<sup>5</sup> Because Energy Safety's required Information Template for executive compensation submissions does not contain a section relating to these additional requirements, PG&E provides this information below:

**Public Disclosure:** D.20-05-053 requires "[p]ublicly disclosed compensation arrangements for executives."<sup>6</sup> PG&E complies with this requirement in numerous ways:

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<sup>2</sup> See October 15, 2021 Letter from Southern California Edison Company to Energy Safety, at 4.

<sup>3</sup> Corporations Code § 821 (repealed). This statute was replaced by Corporations Code § 312, which requires a chief financial officer instead of a treasurer. PG&E's Chief Financial Officer is an executive officer and is encompassed by PG&E's 2022 executive compensation submission.

<sup>4</sup> Office of Energy Infrastructure Safety, Executive Compensation Structure Submission Guidelines, at 15 (Feb. 14, 2022).

<sup>5</sup> Office of Energy Infrastructure Safety, Executive Compensation Structure Submission Guidelines, at 8 (Feb. 14, 2022).

<sup>6</sup> D.20-05-053 at 88.

- On June 25, 2020, PG&E’s Board of Directors adopted a Policy Statement providing in part: “It is the policy of this Board that compensation provided to executive officers (as defined in Public Utilities Code §§ 451.5 and 8389(e)) . . . shall comply with the following: . . . Compensation arrangements for executives must be publicly disclosed.”<sup>7</sup>
- PG&E annually provides detailed disclosures regarding executive compensation in PG&E’s and PG&E Corporation’s joint proxy statements.<sup>8</sup> The proxy statements are publicly available on the websites of PG&E Corporation, the Securities and Exchange Commission, and other organizations.
- PG&E annually files detailed reports regarding compensation for officers (including executive officers) who annually earn \$250,000 or more pursuant to the Commission’s General Order 77-M. These reports are publicly available on the Commission’s website.
- PG&E annually provides detailed information about its executive compensation structure to Energy Safety, including in the current filing. “Energy Safety . . . post[s] each electrical corporation’s [executive compensation approval request] and supporting documentation to its website . . . .”<sup>9</sup>

**Annual Reporting:** D.20-05-053 requires “[a]nnual reporting of awards to the CPUC through a Tier 1 advice letter compliance filing.”<sup>10</sup> The PG&E Board’s June 25, 2020 Policy Statement implemented this requirement by providing that “[t]he Utility shall provide annual reporting of awards to the Commission through a Tier 1 advice letter compliance filing.”<sup>11</sup> PG&E filed the first such advice letter on April 9, 2021 (reporting on executive compensation awards for 2020), and supplemented it on April 30, 2021.<sup>12</sup> PG&E anticipates submitting its next such advice letter in approximately April 2022 (reporting on awards for 2021).

**Written Compensation Agreements:** D.20-05-053 requires “[w]ritten compensation agreements for executives.”<sup>13</sup> As PG&E stated in the POR OII,<sup>14</sup> PG&E understands this requirement to connote the written shareholder-approved 2021 Long-Term Incentive Plan

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<sup>7</sup> Policy Statement of the Board of Directors of PG&E Regarding Executive Compensation Following Emergence from Chapter 11 (“June 25, 2020 Policy Statement”).

<sup>8</sup> See, e.g., PG&E Corporation and PG&E 2021 Joint Proxy Statement at 37-87 (Apr. 8, 2021).

<sup>9</sup> Office of Energy Infrastructure Safety, Executive Compensation Structure Submission Guidelines, at 9 (Feb. 14, 2022).

<sup>10</sup> D.20-05-053 at 88.

<sup>11</sup> June 25, 2020 Policy Statement.

<sup>12</sup> See Advice Letter 4419-G/6157-E.

<sup>13</sup> D.20-05-053 at 88.

<sup>14</sup> See PG&E’s Post-Hearing Brief and Comments on Assigned Commissioner’s Proposals, filed Mar. 13, 2020 in I.19-09-016, at 164.

(“LTIP”) (under which equity-based long-term incentive compensation is provided to PG&E executive officers), written award contracts for awards provided under the LTIP (which are used for PG&E executive officers), and public disclosure of the terms, features, and results of PG&E’s compensation programs (which are provided as set forth above). Additionally, on January 19, 2022, the People and Compensation Committee of the PG&E Corporation Board of Directors adopted the PG&E Corporation Short-Term Incentive Plan (the “STIP”), under which officers and employees of PG&E and PG&E Corporation and their subsidiaries are eligible to receive incentive-based cash compensation based on selected metrics that are designed to align their interests with those of PG&E and PG&E Corporation. PG&E generally does not have written employment contracts with its executive officers more broadly, and stated without objection in the POR OII that it does not support a requirement of using such contracts.<sup>15</sup> The PG&E Board’s June 25, 2020 Policy Statement reiterates that “[t]he Utility shall have written compensation agreements for executives,” “[c]onsistent with the Utility’s written submissions to the Commission in the proceeding that culminated in the Decision Approving Reorganization Plan of [PG&E] and PG&E Corporation (D.20-05-053).”<sup>16</sup>

**Annual Review:** D.20-05-053 requires “[a]nnual review of awards by an independent consultant.”<sup>17</sup> The PG&E Corporation Board of Directors’ People and Compensation Committee—which advises the PG&E Board regarding executive compensation matters—uses a nationally recognized independent compensation consultant, Meridian Compensation Partners, LLC, to review awards for compliance with AB 1054, with D.20-05-053, and with best practices.<sup>18</sup>

**Guaranteed Cash Compensation Within Industry Norms:** D.20-05-053 requires that “[g]uaranteed cash compensation as a percentage of total compensation . . . not exceed industry norms.”<sup>19</sup> The People and Compensation Committee uses its independent consultant to help ensure that cash compensation as a percentage of total compensation does not exceed industry norms. The PG&E Board’s June 25, 2020 Policy Statement further formalizes that “[g]uaranteed cash compensation as a percentage of total compensation shall not exceed industry norms.”<sup>20</sup>

**Safety Metrics:** D.20-05-053 requires “[b]asing a significant component of long-term incentive compensation on safety performance, as measured by a relevant subset of by [sic] the Safety and Operational Metrics to be developed, as well as customer satisfaction, engagement,

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<sup>15</sup> *See id.*

<sup>16</sup> June 25, 2020 Policy Statement.

<sup>17</sup> D.20-05-053 at 88.

<sup>18</sup> The Assigned Commissioner’s Ruling in the POR OII additionally had proposed that “PG&E . . . retain a nationally recognized independent consultant to help ensure its executive compensation plans meet the requirements of AB 1054.” (Assigned Commissioner’s Ruling and Proposals, filed Feb. 28, 2020 in I.19-09-016, at 9.) D.20-05-053 did not adopt this requirement. Further, PG&E believes that, in general, it would be wasteful to have two separate consultants—one retained by PG&E, and another by the People and Compensation Committee—to review the exact same executive compensation structure.

<sup>19</sup> D.20-05-053 at 88.

<sup>20</sup> June 25, 2020 Policy Statement.

and welfare.”<sup>21</sup> The Decision provides that “[t]he remaining portion may be based on financial performance or other considerations.”<sup>22</sup>

PG&E’s 2022 executive compensation structure complies with these requirements. As shown in PG&E’s attached submission, PG&E’s STIP design for 2022 uses metrics that are weighted 70% to safety, and PG&E’s LTIP program design for 2022 uses metrics that are weighted 40% to safety (in each case, using the Metric Categories and Subcategories specified in Attachment 3 to Energy Safety’s 2022 Executive Compensation Structure Submission Guidelines). Further, PG&E’s STIP design for 2022 is weighted an additional 5%, and the LTIP program design for 2022 is weighted an additional 30%, to customer satisfaction, engagement, and welfare (again using the Metric Categories and Subcategories provided by Energy Safety). Additionally, both the STIP and LTIP designs for 2022 are structured as 100% performance-based awards for all executive officers.

The STIP and LTIP program designs for 2022 include numerous metrics that are identical or similar to Safety and Operational Metrics (“SOMS”) approved by the Commission on November 9, 2021.<sup>23</sup> These metrics are shown in the following chart:

2022 STIP/LTIP Metric <sup>24</sup>	SOMS Analogue(s) <sup>25</sup>
Reportable Fire Ignitions in HFTDs (STIP metric)	Number of CPUC-Reportable Ignitions in HFTD Areas (Distribution) Number of CPUC-Reportable Ignitions in HFTD Areas (Transmission) Fire Ignitions
Total Gas Dig-In Rate (component of Operate Safely Index metric in the STIP)	Number of Gas Dig-Ins Per 1000 USA Tickets on Transmission and Distribution Pipelines Gas Dig-Ins
Non-Fatal SIF Actuals (STIP metric)	Rate of SIF Actuals (Employee) Rate of SIF Actuals (Contractor)

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<sup>21</sup> D.20-05-053 at 88.

<sup>22</sup> *Id.*

<sup>23</sup> See Decision Addressing Phase I, Track 1 and 2 Issues, D.21-11-009 (“SOMS Decision”), in *Order Instituting Rulemaking to Further Develop a Risk-Based Decision-Making Framework for Electric and Gas Utilities*, R.20-07-013.

<sup>24</sup> Detailed descriptions of these metrics appear in Tables 3d.1 and 4d.1 of PG&E’s submission herewith.

<sup>25</sup> The CPUC-approved SOMS, as applicable to PG&E, are listed in Appendices A and B to the SOMS Decision.

Electric 911 Emergency Response (component of Respond to Emergencies Index metric in the STIP)	Electric Emergency Response Time
Gas Emergency Response (component of Respond to Emergencies Index metric in the STIP)	Time to Respond On-Site to Emergency Notification Gas Emergency Response Time
System Average Interruption Duration Index (LTIP metric)	System Average Interruption Duration Index (Unplanned)

**Deferral of Equity Awards:** D.20-05-053 requires “[h]olding or deferring the majority or super-majority of incentive compensation, in the form of equity awards, for at least 3 years.”<sup>26</sup> As noted in PG&E’s submission, long-term incentive compensation for PG&E’s executive officers for 2022 consists of performance share awards, and all such awards are subject to a three-year hold. Additionally, the PG&E Board’s June 25, 2020 Policy Statement requires that (i) “a significant portion of compensation, which may take the form of grants of PG&E Corporation common stock, [be] based on the Utility’s long-term performance and value, with such compensation held or deferred for a period of at least three years”; and (ii) “[t]he majority or super-majority of incentive compensation, in the form of equity awards must be held or deferred for at least three years.”<sup>27</sup>

**Severance Policy:** D.20-05-053 provides: “Executive officer compensation policies will include provisions that allow for restrictions, limitations, and cancellations of severance payments in the event of any felony criminal conviction related to public health and safety or financial misconduct by the reorganized PG&E, for executive officers serving at the time of the underlying conduct that led to the conviction. Implementation of this policy should take into account PG&E’s need to attract and retain highly qualified executive officers.”<sup>28</sup> The Board’s June 25, 2020 Policy Statement required PG&E’s executive compensation severance policy to include such provisions. Thereafter, on September 24, 2020, the PG&E Corporation Compensation Committee approved amendments to the PG&E Corporation 2012 Officer Severance Policy (which applies to executive officers of PG&E). Under the amended policy, the Board has the right to restrict, limit, cancel, reduce, or require forfeiture of certain payments or benefits to executive officers in the event of, among other things, a felony conviction of PG&E related to public health and safety or financial misconduct by PG&E following its emergence from Chapter 11 (a “Company Conviction”), provided that such executive officer was serving as an executive officer at the time of the underlying conduct that led to the conviction.<sup>29</sup> Also, under the amended policy, PG&E may recoup or require reimbursement or repayment of rights, payments, and benefits under the policy from PG&E executive officers in the event such

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<sup>26</sup> D.20-05-053 at 88.

<sup>27</sup> June 25, 2020 Policy Statement.

<sup>28</sup> D.20-05-053 at 89.

<sup>29</sup> See PG&E Corporation and PG&E Form 8-K (Sept. 22, 2020).

executive officers engaged in misconduct that materially contributed to some of the actions or omissions on which the Company Conviction is based.<sup>30</sup>

**Presumption of Withholding:** D.20-05-053 imposes “[a] presumption that a material portion of executive incentive compensation shall be withheld if . . . PG&E is the ignition source of a catastrophic wildfire, unless the Commission determines that it would be inappropriate based on the conduct of the utility.”<sup>31</sup> The Decision clarifies who bears responsibility for applying the presumption, as follows: “PG&E . . . make[s] the initial determination as to whether PG&E ha[s] caused a catastrophic event that warrants reduction or elimination of incentive compensation, [and] that . . . decision [is] subject to Commission review and modification.”<sup>32</sup> PG&E implemented this portion of D.20-05-053 in the Board’s June 25, 2020 Policy Statement, which provides in part: “There shall be a presumption that a material portion of executive incentive compensation shall be withheld if the Utility is the ignition source of a catastrophic wildfire, subject to any decision by the Board that such withholding would be inappropriate based on the conduct of the Utility. Any such determination by the Board shall be subject to Commission review and modification.”<sup>33</sup>

PG&E provides the following information regarding actions taken in early 2021 and early 2022:

Actions in Early 2021: Following the September 2020 Zogg Fire, and prior to the California Department of Forestry and Fire Protection’s (“Cal Fire”) announcement that it had determined the cause thereof, in February 2021, the PG&E Corporation Board of Directors’ Compensation Committee considered whether to exercise its discretion to materially reduce officer incentive compensation payouts for the 2020 STIP performance year and the 2018 LTIP performance period ending in December 2020. The Committee considered with management the totality of circumstances over the course of 2020, including but not limited to the possibility that PG&E assets were the ignition source of the Zogg Fire (which resulted in four public fatalities and property damage), PG&E’s overall public and workforce safety (which included five fatalities from PG&E and contractor workforces), compliance fines levied against PG&E by regulators, and reports provided to the Board by PG&E’s Federal Monitor on PG&E’s operational and safety performance. The Committee also consulted with independent compensation consultants and outside counsel to review the range of actions taken by other utilities in comparable circumstances.

Based on the totality of the circumstances and management’s recommendation, and after extensive consideration, the Committee determined to exercise its discretion to materially reduce incentive compensation paid to all PG&E officers—both executive and non-executive—for the 2020 STIP performance year and the 2018 LTIP performance period ending in December 2020. Specifically, the Committee applied negative discretion to results of both short- and long-term

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<sup>30</sup> *See id.*

<sup>31</sup> D.20-05-053 at 88.

<sup>32</sup> *Id.* at 92.

<sup>33</sup> June 25, 2020 Policy Statement.

incentives that resulted in a reduction of incentive compensation, in the form of 2018 LTIP performance share payments and 2020 STIP payments, to executive and non-executive officers for 2020, by an average of 58% from target for those elements of incentives. The Committee achieved this reduction through the following means:

- For the 2018 LTIP awards, 35% of the total LTIP award value granted in 2018 consisted of performance share awards payable based on achievement of performance metrics, with a three-year performance period ending in 2020. For these performance share awards, operational performance and financial results combined to produce a formulaic result on the metrics for the period ending in 2020 of 72% of target. The Committee exercised its discretion to reduce this figure to zero, resulting in no payout for 2018 performance shares.
- Under the 2020 STIP, operational performance and financial results combined to produce a formulaic result on the STIP's performance metrics of 74.6% of target. The Committee exercised its discretion to further reduce 2020 STIP payouts to 65% of target.

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

As noted, on April 9, 2021, PG&E submitted a Tier 1 Advice Letter compliance filing to the Commission in accordance with a requirement of D.20-05-053. PG&E included the foregoing information in that filing.

Actions in Early 2022: In February 2022, the PG&E Corporation People and Compensation Committee considered whether to exercise its discretion to materially reduce executive officer incentive compensation payouts for the 2021 STIP performance year and the LTIP's three-year performance period ending in December 2023.<sup>34</sup> The Committee considered with management the totality of circumstances over the course of 2021, including but not limited to the possibility that PG&E assets were the ignition source of the Dixie, Blue and Fly fires, PG&E's overall public and workforce safety (which included three fatalities from contractor workforces and one public fatality), and PG&E's entry into Step 1 of the Commission's Enhanced Oversight and Enforcement Process in connection with its risk prioritization of vegetation management work. The Committee also considered available facts about the Dixie Fire, and the extent to which facts about the Dixie Fire are not yet fully available and/or are subject to ongoing review and discovery.

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<sup>34</sup> LTIP awards were not granted to executive officers in 2019 on account of PG&E's then-pending Chapter 11 proceedings, and accordingly, there was no LTIP performance period ending in 2021.



The Committee determined to exercise its discretion to reduce short-term incentive compensation paid in 2022 to all eligible employees by 25% for the 2021 STIP performance year. In addition, the short-term incentive payment was further reduced for all PG&E executive officers, which resulted in a reduction of short-term incentive compensation by an average of 40% from the otherwise applicable results for executive officers.

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

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

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PG&E believes that the foregoing, combined with its submission attached hereto, demonstrates that its 2022 executive compensation structure complies with the requirements of AB 1054 and D.20-05-053. PG&E respectfully requests Energy Safety's approval of the structure pursuant to Public Utilities Code § 8389(e)(6)(B). If PG&E can provide any additional information that would be helpful, please do not hesitate to contact Wade Greenacre at [Wade.Greenacre@pge.com](mailto:Wade.Greenacre@pge.com).

Sincerely,

/s/

Lisa Laanisto  
Director, Compensation  
Pacific Gas & Electric Company

Attachment A: 2022 Executive Compensation Information Template

**PACIFIC GAS AND ELECTRIC COMPANY**  
**ATTACHMENT 1**  
**2022 EXECUTIVE COMPENSATION**  
**INFORMATION TEMPLATE**

## Pub. Util. Code § 8389(e)(4): Sections 1-4

To aid Energy Safety in assessing compliance with Pub. Util. Code § 8389(e)(4), electrical corporations must complete Sections 1-4 below for all executive officers as defined in Pub. Util. Code § 451.5(c).

### Section 1: Incentive Compensation Components

**Rationale:** Pub. Util. Code § 8389(e)(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 needs to know: (a) who are the electrical corporation's executive officers and (b) what incentive compensation structure exists.

**Definition:** "Executive officer" is defined in Pub. Util. Code § 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, for each executive officer subject to the executive compensation filing requirements, 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 2022 filing year. See the definition of the proceeding terms in **Attachment 2**.

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

**Table 1.1  
Incentive Compensation at the Target Level<sup>1</sup>**

Executive Title/ Function and Name (where applicable)	Target STIP as a Percent of TIC	Target LTIP as a Percent of TIC
EVP and Chief Customer Officer/Customer Service, Marlene Santos		
EVP, Chief Risk Officer & Chief Safety Officer <sup>2</sup> /Risk & Safety, Sumeet Singh		
EVP, Engineering, Planning & Strategy/Engineering, Planning & Strategies, Jason Glickman		
EVP, Operations & Chief Operating Officer (COO)/Operations, Adam Wright		
EVP, People, Shared Services & Supply Chain/People, Shared Services & Supply Chain, Julius Cox		
VP, Controller, Utility Chief Financial Officer (CFO)/Finance, David Thomason		

<sup>1</sup> As permitted by PG&E'S Bylaws, the PG&E Board has allocated the powers and duties of the office of PG&E President to three Executive Vice Presidents: Mr. Glickman (EVP, Engineering, Planning & Strategy); Ms. Santos (EVP and Chief Customer Officer), and Mr. Wright (EVP, Operations & Chief Operating Officer). As such, no individual has the title of PG&E President, and each of the three identified EVPs serves as a chief executive officer and a principal executive officer of PG&E.

<sup>2</sup> The position of Chief Safety Officer is interim, dependent on the California Public Utilities Commission ("CPUC") determination of PG&E's December 15, 2021, Petition for Modification of Commission Decision 20-05-053.

## Section 2: Executive Officer Exclusion Rationale

**Rationale:** Pub. Util. Code § 8389(e)(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 Pub. Util. Code § 451.5(c).

**Instructions:** For the purpose of completing Table 2.1, 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 Pub. Util. Code § 451.5(c). For those positions, provide a simple explanation regarding why the executives holding those positions are not considered "executive officers" as set forth in Pub. Util. Code § 451.5(c). Examples:

- This position does not perform policy making functions.
- This position is not employed by the public utility.
- This position is not subject to approval of the board of directors.

**Table 2.1<sup>3,4</sup>**  
**Pub. Util. Code § 451.5(c) Exclusion Rationales**

Officer Position	Exclusion Rationale
Senior Vice President (SVP) & Chief Nuclear Officer, Generation	This individual does not perform policy making functions.
SVP, Electrical Engineering, Electric Engineering	This individual does not perform policy making functions.
SVP, Electric Operations, Electric Operations	This individual does not perform policy making functions.
SVP, Gas Engineering, Gas Engineering	This individual does not perform policy making functions.
SVP, Gas Operations, Gas Operations	This individual does not perform policy making functions.
SVP, Regulatory and External Affairs, Corporate Affairs	This individual does not perform policy making functions.
SVP, Vegetation Management & System Inspections, Operations	This individual does not perform policy making functions.
Vice President (VP) and Treasurer, Finance	This individual does not perform policy making functions.
VP Deputy General Counsel & Corporate Secretary	This individual does not perform policy making functions.

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<sup>3</sup> Limited to active officers as of March 14, 2022.

<sup>4</sup> The VP, Treasurer and VP, Corporate Secretary have been omitted from this filing for both 2021 and 2022. These officer positions do not perform policy making functions, a necessary predicate for “executive officer” status under Public Utilities Code § 451.5. Please see the cover letter submitted herewith for more information on this subject.

## Section 3: Short-Term Incentive Program (STIP)

**Rationale:** Pub. Util. Code § 8389(e)(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, repeat this information for each mechanism (e.g., Quarterly and Annually).

### Section 3a: STIP Structure

**Instructions:** Provide the requested 2022 STIP information regarding payment type, triggers, deductions, the use of performance 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.

i) **STIP Payment Type** (check one):

Cash:  Other:

**If other, please describe:**

N/A

ii) **Use of Any Performance Triggers**

**Does the electrical corporation's 2022 STIP use any performance triggers (e.g., must achieve annual earnings per share of at least XYZ before any STIP payments are made)?** Check one:

Yes:  No:

**If “Yes”, please describe any performance triggers:**

N/A

**iii) Use of Any Automatic Deductions**

**Does the electrical corporation’s 2022 STIP have any automatic deductions (e.g., failure to achieve WMP targets results in X% reduction, catastrophic wildfire results in zeroing out all safety metrics)? Check one:**

Yes:  No:

**If “Yes”, please describe all automatic deductions:**

N/A

**iv) Use of a Performance Range - 2021**

**Were the 2021 STIP payouts based on a performance range (i.e., below minimum/threshold, minimum/threshold, target, maximum)? Check one:**

Yes:  No:

**Did the electrical corporation use one range for all 2021 STIP metrics or differing ranges based on the category of metric)? Check one:**

One range for all metrics:  Multiple ranges:



**Provide the 2021 STIP metric performance range(s):**

**Table 3a.1  
2021 STIP Metric Performance Range(s)**

	<b>Below Minimum</b>	<b>Minimum</b>	<b>Target</b>	<b>Maximum</b>
Wildfire Risk Reduction	0%	50%	100%	200%
Wire-Down Events Due to Equipment Failure Rate	0%	50%	100%	200%
Large Overpressure Events Rate	0%	50%	100%	200%
Gas Dig-Ins Reduction	0%	50%	100%	200%
Safe Dam Operating Capacity (SDOC)	0%	50%	100%	200%
Diablo Canyon Power Plant (DCPP) Reliability and Safety Indicator	0%	50%	100%	200%
Gas Customer Emergency Response	0%	50%	100%	200%
911 Emergency Response	0%	50%	100%	200%
Customers Experiencing Multiple Interruptions (CEMI) - Unplanned	0%	50%	100%	200%
Average Speed of Answer (ASA) for Emergencies	0%	50%	100%	200%
Days Away, Restricted & Transferred (DART) Rate	0%	50%	100%	200%
Serious Injuries Actuals	0%	50%	100%	200%
SIF Investigation Timeliness	0%	50%	100%	200%
SIF Corrective Action Timeliness	0%	50%	100%	200%
Non-GAAP Core Earnings Per Share	0%	50%	100%	200%

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

The interpolation method used is straight line.

**v) Use of a Performance Range - 2022**

**Do the 2022 STIP payouts include a performance range (i.e., below minimum/threshold, minimum/threshold, target, maximum)?** Check one:

Yes:  No:

**Is the electrical corporation using one range for all 2022 STIP metrics or differing ranges based on the category of metric)?** Check one:

One range for all metrics:  Multiple ranges:

**Provide the 2022 STIP metric performance range(s):**

**Table 3a.2  
2022 STIP Metric Performance Range(s)<sup>5,6</sup>**

	<b>Below Minimum</b>	<b>Minimum</b>	<b>Target</b>	<b>Maximum</b>
Non-Fatal SIF Actual	0%	50%	100%	200%
Gas Emergency Response	0%	50%	100%	200%
Electric 911 Emergency Response	0%	50%	100%	200%
Total Gas Dig-In Rate	0%	50%	100%	200%
Preventable Motor Vehicle Incidents (PMVI)	0%	50%	100%	200%
DCPP Reliability & Safety Indicator	0%	50%	100%	200%
Safe Dam Operating Capacity (SDOC)	0%	50%	100%	200%
Wildfire Fire Risk Reduction	0%	50%	100%	200%
Reportable Fire Ignitions	0%	50%	100%	200%
Distribution Inspection Quality Verification Pass Rate	0%	50%	100%	200%
Transmission Inspection Quality Verification Pass Rate	0%	50%	100%	200%
Enhanced Vegetation Management Quality Verification Pass Rate	0%	50%	100%	200%
Routine Vegetation Management Quality Verification Pass Rate	0%	50%	100%	200%
Core Commitment Completion	0%	80%	100%	N/A
CEMI 5 + CEMI 10	0%	50%	100%	200%
Non-GAAP Core EPS	0%	50%	100%	200%

<sup>5</sup> Gas Emergency Response and Electric 911 Emergency Response are listed separately in this chart for ease of presentation, but are not freestanding metrics in the 2022 STIP program design. Instead, they are equally weighted components of a metric called Respond to Emergencies Index. Similarly, Total Gas Dig-In Rate, Preventable Motor Vehicle Incidents, DCPP Reliability and Safety Indicator, and SDOC are equally weighted components of an Operate Safely Index metric.

<sup>6</sup> Distribution Inspection Quality Verification Pass Rate, Transmission Inspection Quality Verification Pass Rate, Enhanced Vegetation Management Quality Verification Pass Rate, and Routine Vegetation Management Quality Verification Pass Rate are listed separately in this chart for ease of presentation, but are not freestanding metrics in the 2022 STIP program design. Instead, they are equally weighted components of a Quality Pass Rate.

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

The interpolation method used is straight line.

**vi) Use of Performance Modifiers**

**Does the electrical corporation's STIP involve the use of any of the following types of performance modifiers? If so, please describe.**

**Individual Performance Modifier:**

Yes:  No:

**If Yes, Describe and Quantify for Each Individual:**

Potential adjustment to STIP payment based on individual performance results. Payment could be as low as zero but not to exceed 200% of target for any one participant.

**Company Performance Modifier:**

Yes:  No:

**If Yes, Describe and Quantify:**

N/A

**Board Discretion:**

Yes:  No:

**If Yes, Describe and Quantify:**

The PG&E Corporation People and Compensation Committee retains full discretion to adjust the formula or final score, including to zero, for any or all STIP payments. As part of evaluating exercising discretion, the Committee will take into consideration, without limitation, public, employee, and contractor safety.

### Section 3b: 2021 STIP Metrics – Minimum, Target, Maximum and Actual

**Instructions:** Complete Table 3b.1 for the 2021 STIP metrics, adding lines as necessary. See **Attachment 3** for a discussion of categories and sub-categories. Add lines as needed.

**Table 3b.1  
2021 STIP – Minimum, Target and Maximum Versus Actual**

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Actual Perf.	Weighted Contrib.	Unweighted Scores
Safety	Wildfire Mitigation	Wildfire Risk Reduction	Lagging, Outcome-Based Indicator	15%	4	2	0	3	0.113	0.750
Safety	Wildfire Mitigation	Wires-Down Events Due to Equipment Failure	Lagging, Outcome-Based Indicator	5%	2.215	2.161	2.105	2.550	0.000	0.000
Safety	Emergency Response	911 Emergency Response	Lagging Indicator	3.33%	95.30%	96.66%	98.01%	97.18%	0.046	1.385
Safety	Emergency Response	Gas Customer Emergency Response	Lagging Indicator	3.34%	21.2	20.8	20.2	20.6	0.042	1.250
Safety	Public Safety - Gas	Large overpressure Events Rate	Lagging, Outcome-Based Indicator	5%	0.126	0.110	0.094	0.077	0.100	2.000
Safety	Public Safety - Gas	Total Gas Dig-Ins Reduction	Lagging, Outcome-Based Indicator	5%	1.17	1.14	1.04	0.98	0.100	2.000
Safety	Public Safety - Generation	DCPP Reliability and Safety Indicator	Leading & Lagging, Outcome-Based Indicator	5%	82.5	87.5	92.5	92.5	0.100	2.000

**Table 3b.1**  
**2021 STIP – Minimum, Target and Maximum Versus Actual**  
**(Continued)**

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Actual Perf.	Weighted Contrib.	Unweighted Scores
Safety	Public Safety - Generation	Safe Dam Operating Capacity	Leading & Lagging, Outcome-Based Indicator	5%	98.5%	99.0%	99.5%	99.75%	0.100	2.000
Safety	Workforce Safety	Days Away, Restricted & Transferred (DART) Rate	Lagging, Outcome-Based Indicator	5%	1.1	0.97	0.83	1.18	0.041	0.815
Safety	Workforce Safety	Serious Injuries Actuals	Lagging, Outcome-Based Indicator	5%	6	4	2	3	0.075	1.500
Safety	Workforce Safety	SIF Investigation Timeliness	Lagging Indicator	5%	40%	70%	90%	98%	0.100	2.000
Safety	Workforce Safety	SIF Corrective Action Timeliness	Lagging Indicator	5%	88%	92%	100%	97%	0.081	1.625
<b>Subtotal</b>				<b>66.67%</b>					<b>0.898</b>	
Customer Service		Customer Experiencing Multiple Interruptions (CEMI) - Unplanned	Lagging, Outcome-Based Indicator	3.33%	2.71%	2.63%	2.39%	4.13%	0.000	0.000
Customer Service		Average Speed of Answer	Lagging Indicator	5%	<=13 secs	<=10 secs	<=7 secs	8	0.083	1.667

**Table 3b.1**  
**2021 STIP – Minimum, Target and Maximum Versus Actual**  
**(Continued)**

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Actual Perf.	Weighted Contrib.	Unweighted Scores
		(ASA) for Emergencies								
<b>Subtotal</b>				<b>8.33%</b>					<b>0.083</b>	
Financial		Non-GAAP Core Earnings Per Share	Lagging, Outcome-Based Indicator	25%	\$0.95 - \$1.05 <sup>7</sup>			\$1.08	0.500	2.000
<b>Subtotal</b>				<b>25%</b>					<b>0.500</b>	
<b>Total</b>				<b>100%</b>					<b>1.481</b>	

<sup>7</sup> PG&E did not publicly disclose the 2021 target for the Non-GAAP Core EPS metric due to concerns regarding material non-public information. Energy Safety’s October 19, 2021 letter approving PG&E’s 2021 Executive Compensation structure stated: “However, for the Non-GAAP Core Earnings Per Share STIP metric, PG&E did establish a range for the milestones, effectively providing the ‘threshold’ and ‘maximum’ performance levels. Energy Safety assesses this as sufficient to meet the requirement of a target metric.”

### Section 3c: 2022 Short-Term Incentive Program

**Instructions:** Complete Table 3c.1 for the 2022 STIP. Provide details of the STIP metrics and minimum, target and maximum performance values for the filing year. Add additional lines as needed.

**Table 3c.1**  
**2022 STIP Metrics<sup>8,9</sup>**

Class	Sub-Class	Metric	Metric Type	Weight	Min	Target	Max
<b>Performance Range</b>							
Safety	Workforce Safety	Non-Fatal SIF Actuals	Lagging, Outcome-Based Indicator	5%	2 injuries	1 injury	0 injuries
Safety	Emergency Response	Gas Emergency Response	Lagging Indicator	2.5%	21.0 minutes	20.5 minutes	20.0 minutes
Safety	Emergency Response	Electric 911 Emergency Response	Lagging Indicator	2.5%	96.01%	97.30%	98.13%
Safety	Public Safety - Gas	Total Gas Dig-In Rate	Lagging, Outcome-Based Indicator	5%	1.13 rate	0.98 rate	0.95 rate
Safety	Workforce Safety	Preventable Motor Vehicle Incidents (PMVI)	Lagging, Outcome-Based Indicator	5%	2.68 rate	2.61 rate	2.54 rate
Safety	Public Safety – Generation	DCPP Reliability and Safety Indicator	Leading and Lagging, Outcome-Based Indicator	5%	87.4 score	94.0 score	97.4 score
Safety	Public Safety – Generation	Safe Dam Operating Capacity (SDOC)	Leading and Lagging, Outcome-Based Indicator	5%	95.11% capacity	96.22% capacity	97.32% capacity

<sup>8</sup> Gas Emergency Response and Electric 911 Emergency Response are listed separately in this chart for ease of presentation, but are not freestanding metrics in the 2022 STIP program design. Instead, they are equally weighted components of a metric called Respond to Emergencies Index. Similarly, Total Gas Dig-In Rate, Preventable Motor Vehicle Incidents, DCPP Reliability and Safety Indicator, and SDOC are equally weighted components of an Operate Safely Index metric.

<sup>9</sup> Distribution Inspection Quality Verification Pass Rate, Transmission Inspection Quality Verification Pass Rate, Enhanced Vegetation Management Quality Verification Pass Rate, and Routine Vegetation Management Quality Verification Pass Rate are listed separately in this chart for ease of presentation, but are not freestanding metrics in the 2022 STIP program design. Instead, they are equally weighted components of a Quality Pass Rate.





**Table 3c.1  
2022 STIP Metrics  
(Continued)**

<b>Class</b>	<b>Sub-Class</b>	<b>Metric</b>	<b>Metric Type</b>	<b>Weight</b>	<b>Min</b>	<b>Target</b>	<b>Max</b>
Customer Service		CEMI-5 + CEMI-10	Lagging, Outcome-Based Indicator	5%	CEMI-5: 462,544  CEMI-10: 81,115	CEMI-5: 449,072  CEMI-10: 78,753	CEMI-5: 404,165  CEMI-10: 70,878
<b>Subtotal</b>				<b>5%</b>			
<b>Performance Range</b>							
Financial		Non – GAAP Core Earnings Per Share	Lagging, Outcome-Based Indicator	25%			
<b>Subtotal</b>				<b>25%</b>			
<b>Total</b>				<b>100%</b>			

<sup>10</sup> Consistent with past practice, PG&E is not disclosing the 2022 target for the Non-GAAP Core EPS metric due to concerns regarding material non-public information.

### Section 3d: 2022 STIP Metric Definition and Calculation

**Instructions:** Provide detailed definitions, whether the metric is leading, lagging or outcome, and calculations for the 2022 STIP metrics. For each metric, provide a detailed 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, it would be able to derive the reported results.

**Table 3d.1**  
**2022 STIP – Metric Definitions and Calculation<sup>11</sup>**

Measure/Metric	Detailed Definition	Calculation Methodology	Any Adjustment/ Exclusions
Non-Fatal SIF Actuals	<p>Number of work-related high-energy incidents from work at/for PG&amp;E that results in either of the following to employees, contractors, or directly supervised contractors: (i) a life threatening injury or illness that required immediate life-preserving action that if not applied immediately would likely have resulted in the death of the person; or (ii) a life-altering injury or illness that resulted in a permanent and significant loss of a major body part or organ function. The metric includes motor vehicle incidents.</p> <p>The metric is a lagging, outcome-based indicator.</p>	Simple count of qualifying events.	<p>SIF Potential Incidents and Fatalities are excluded.</p> <p>However, the Board will have discretion to adjust STIP scores and payments based on any fatalities. All SIF Actuals will be reported on in daily reporting.</p>

<sup>11</sup> Gas Emergency Response and Electric 911 Emergency Response are listed separately in this chart for ease of presentation, but are not freestanding metrics in the 2022 STIP program design. Instead, they are equally weighted components of a metric called Respond to Emergencies Index. Similarly, Total Gas Dig-In Rate, Preventable Motor Vehicle Incidents, DCPD Reliability and Safety Indicator, and SDOC are equally weighted components of an Operate Safely Index metric.

**Table 3d.1  
2022 STIP – Metric Definitions and Calculation  
(Continued)**

<b>Measure/Metric</b>	<b>Detailed Definition</b>	<b>Calculation Methodology</b>	<b>Any Adjustment/ Exclusions</b>
Gas Emergency Response	<p>The average response time for immediate response orders.</p> <p>The metric is a lagging indicator.</p>	<p>The response time by PG&amp;E is measured from the time PG&amp;E is notified to the time a Gas Service Representative or a qualified first responder arrives onsite to the emergency location. PG&amp;E notification time is defined as when a gas emergency order is created and timestamped.</p>	<p>The following exclusions apply:</p> <ul style="list-style-type: none"> <li>• Level 2 and above emergencies (defined in PG&amp;E’s Gas Emergency Response Plan as a region-wide emergency event that may require one to two days for service restoration).</li> <li>• If the source is a non-planned release of PG&amp;E gas, the original call is included (the gas emergency itself) but all subsequent related orders are excluded.</li> <li>• Area odor: If the source is either a planned release of PG&amp;E gas or another non-leak-related event (e.g., skunk, chemical spill, no discernible cause, etc.), all related orders from the metric are excluded, including the original call. However, if a technician finds a leak that was not previously identified as non-hazardous by PG&amp;E personnel, the individual order at which the leak was found will be included in the metric even if the leak was</li> </ul>

**Table 3d.1  
2022 STIP – Metric Definitions and Calculation  
(Continued)**

Measure/Metric	Detailed Definition	Calculation Methodology	Any Adjustment/ Exclusions
			<p>clearly not the source of the odor complaint).</p> <ul style="list-style-type: none"> <li>• Duplicate orders for assistance.</li> <li>• Cancelled orders.</li> <li>• For multiple leak calls from the same multi-meter manifold, the first order is included and all subsequent orders are excluded.</li> <li>• Unknown premise tag with no nearby gas facility.</li> </ul>
<p>Electric 911 Emergency Response</p>	<p>Measures the percentage of time that PG&amp;E personnel respond (are on site) within 60 minutes after receiving a 911 call, with onsite defined as arriving at the premises where the 911 agency personnel are waiting</p> <p>This metric is a lagging indicator.</p>	<p>Number of times that PG&amp;E electric personnel respond (are onsite) within 60 minutes after receiving a 911 call, divided by total number of electric-related 911 calls.</p>	<p>The following exclusions apply:</p> <ul style="list-style-type: none"> <li>• Measured Event Days (defined by the CPUC as a Major Outage resulting from non-earthquake, weather-related causes, affecting between 10% (simultaneous) and 40% (cumulative) of a utility’s electric customer base).</li> <li>• Any calls canceled by the 911 agency.</li> </ul>
<p>Total Gas Dig-In Rate</p>	<p>Number of dig-ins to PG&amp;E gas subsurface installations per 1000 Underground Service Alert</p>	<p>Number of dig-ins to PG&amp;E gas subsurface</p>	<p>The following exclusions apply:</p>

**Table 3d.1  
2022 STIP – Metric Definitions and Calculation  
(Continued)**

<b>Measure/Metric</b>	<b>Detailed Definition</b>	<b>Calculation Methodology</b>	<b>Any Adjustment/ Exclusions</b>
	<p>(“USA”) tickets received. A dig-in refers to damage that occurs during excavation activities (impact or exposure) and that results in repair or replacement of an underground gas facility.</p> <p>This metric is a lagging, outcome-based indicator.</p>	<p>installations per 1000 USA tickets received.</p>	<ul style="list-style-type: none"> <li>• Dig-ins first reported after the close of the STIP reporting period.</li> <li>• Pre-existing damages (e.g., due to corrosion).</li> <li>• Intentional damage (e.g., drilling or cutting).</li> <li>• Damage caused by driving over a covered facility (e.g., if a heavy vehicles damages a gas pipe).</li> <li>• Damage to abandoned facilities.</li> <li>• Damage due to materials failure.</li> <li>• Damage caused by trench collapse or soldering work.</li> </ul>

**Table 3d.1  
2022 STIP – Metric Definitions and Calculation  
(Continued)**

<b>Measure/Metric</b>	<b>Detailed Definition</b>	<b>Calculation Methodology</b>	<b>Any Adjustment/ Exclusions</b>
Preventable Motor Vehicle Incidents	<p>Number of motor vehicle incidents in which the PG&amp;E driver could have but failed to take reasonable steps to prevent the incident.</p> <p>This metric is a lagging, outcome-based indicator.</p>	<p>(Count of all preventable motor vehicle incidents × 1 million) ÷ total PG&amp;E miles driven. The calculation includes company, rental, and personal vehicles driven for PG&amp;E business.</p>	<p>Contractor incidents are excluded.</p>
DCPP Reliability and Safety Indicator	<p>The year-end combined (average) score for Unit 1 and Unit 2 at DCP, representing a composite of 10 performance indicators developed by the nuclear industry and applied to all U.S. nuclear power plants.</p> <p>This metric is a leading and a lagging, outcome-based indicator.</p>	<p>Per nuclear industry standard. Indicator performance periods range from 18 to 36 months (rolling).</p>	<p>None.</p>
Safe Dam Operating Capacity (“SDOC”)	<p>Measure of operating capability of mechanical equipment used as the main control to reduce the risk of a large uncontrolled water release.</p> <p>This metric is a leading and a lagging, outcome-based indicator.</p>	<p>SDOC is calculated as one minus the ratio of controlled outlet days forced out (“CODFO”) to controlled outlet days available (“CODA”) for the metric dam population. In other words, <math>SDOC = 1 - (CODFO \div CODA)</math>.</p>	<p>Passive equipment and features (e.g., passive spillways, tripable flashboards, and siphons) are excluded.</p>

**Table 3d.1  
2022 STIP – Metric Definitions and Calculation  
(Continued)**

<b>Measure/Metric</b>	<b>Detailed Definition</b>	<b>Calculation Methodology</b>	<b>Any Adjustment/ Exclusions</b>
Wildfire Risk Reduction	<p>Number of ignitions that result in fires <math>\geq 100</math> acres in PG&amp;E's High Fire Threat Districts ("HFTD") and that are reportable to the CPUC per D.14-02-015. A reportable ignition per D.14-02-015 is one that meets the following criteria: (i) the ignition is associated with PG&amp;E powerlines (both transmission and distribution); (ii) something other than PG&amp;E facilities burned; and (iii) the fire traveled more than one meter from the ignition point.</p> <p>This metric is a lagging, outcome-based indicator.</p>	Simple count of qualifying ignitions.	If the ignition source for a fire $\geq 100$ acres in PG&E's HFTDs is unknown or disputed, it will be counted if PG&E has recorded an associated financial reserve (with the Board of Directors retaining discretion to determine and make final STIP awards).
Reportable Fire Ignitions in HFTDs	<p>Number of ignitions in PG&amp;E's HFTDs that are reportable to the CPUC per D.14-02-015.</p> <p>This metric is a lagging, outcome-based indicator.</p>	Simple count of qualifying ignitions.	None.



**Table 3d.1**  
**2022 STIP – Metric Definitions and Calculation**  
**(Continued)**

<b>Measure/Metric</b>	<b>Detailed Definition</b>	<b>Calculation Methodology</b>	<b>Any Adjustment/ Exclusions</b>
Quality Pass Rate	<p>This metric consists of four equally weighted components that track the quality of four core Wildfire Mitigation Plan (“WMP”) programs as measured by:</p> <ul style="list-style-type: none"> <li>(i) Percentage of distribution inspections performed in HFTDs that pass the field quality verification reviews and contain no critical defects.</li> <li>(ii) Percentage of transmission inspections performed in HFTDs that pass the field quality verification reviews and contain no critical defects.</li> <li>(iii) Percentage of the completed enhanced vegetation management work that passes the quality verification field reviews.</li> <li>(iv) Percentage of the completed routine vegetation management work in HFTDs that passes the quality verification field reviews.</li> </ul> <p>All four components of this metric are leading and lagging, outcome-based indicators.</p>	<p>For each component of the index, a separate percentage is calculated by dividing the number of passing verifications, by the total number of verifications.</p>	<p>Work performed as part of PG&amp;E’s Catastrophic Event Memorandum Account program is excluded.</p>

**Table 3d.1  
2022 STIP – Metric Definitions and Calculation  
(Continued)**

<b>Measure/Metric</b>	<b>Detailed Definition</b>	<b>Calculation Methodology</b>	<b>Any Adjustment/ Exclusions</b>
Core Commitment Completion	<p>The metric measures timely completion of the following core commitments in PG&amp;E’s WMP:            (i) distribution system inspections (25%);            (ii) transmission system inspections (25%);            (iii) substation inspections (10%); (iv) replacement of non-exempt expulsion fuses (20%); and            (v) distribution sectionalization devices (20%).</p> <p>This metric is a leading and a lagging, outcome-based indicator.</p>	<p>The metric score is calculated based on the weightings for the five core commitments that are identified in the previous column.</p>	<p>If the commitment work volume is achieved but the due date is missed, it will be considered missed for purposes of the metric. Additionally, the maximum performance value for this metric is target at 1.0.</p>
CEMI-5 + CEMI-10	<p>CEMI-5 = customers experiencing five or more sustained service interruptions (planned or unplanned).</p> <p>CEMI-10 = customers experiencing 10 or more sustained interruptions (planned or unplanned).</p> <p>This metric is a lagging, outcome-based indicator.</p>	<p>Calculated as a percentage of all customers. CEMI-5 and CEMI-10 each contributes 50% to the overall metric score.</p>	<p>The following exclusions apply:</p> <ul style="list-style-type: none"> <li>• 2.5 Beta Major Event Days based on Standard 1366 of the Institute of Electrical and Electronics Engineers.</li> <li>• Generation / Independent System Operator outages (rotating outages).</li> <li>• Secondary and service-level outages.</li> </ul>

**Table 3d.1**  
**2022 STIP – Metric Definitions and Calculation**  
**(Continued)**

<b>Measure/Metric</b>	<b>Detailed Definition</b>	<b>Calculation Methodology</b>	<b>Any Adjustment/ Exclusions</b>
Non-GAAP Core Earnings Per Share	<p>A non-GAAP measure of financial performance from ongoing core operations, in dollars per share.</p> <p>This metric is a lagging, outcome-based indicator.</p>	<p>GAAP earnings less non-core charges in dollars, divided by diluted shares (if core earnings are positive) or basic shares (if core earnings are negative).</p>	<p>Core EPS excludes non-core charges that represent revenues or expenses associated with events or circumstances considered unusual and not part of ongoing core operations, as well as applicable adjustments due to regulatory proceeding schedule changes.</p>

## Section 3e: STIP Changes

**Instructions:** Describe any changes between 2021 and 2022 in terms of STIP eligibility, structure, modifiers, metrics (including changes to minimum/threshold, target and maximum performance values), weightings and definitions. Explain the reason for the change(s).

PG&E has made a number of changes that align the STIP program design more closely with PG&E's Wildfire Mitigation Plan ("WMP"), to adhere to a requirement of the California Public Utilities Commission's ("CPUC") Order Approving [the] Reorganization Plan of PG&E and PG&E Corporation (the "POR Decision"), and to reflect the spirit of Assembly Bill ("AB 1054") by robustly promoting safety.

Increased Weighting to Wildfire Safety and WMP Commitments: PG&E's 2022 STIP program design is weighted 70% to safety (based on the Metric Categories and Subcategories specified in Attachment 3 to Energy Safety's 2022 Executive Compensation Structure Submission Guidelines). This includes a 40% weighting for wildfire safety, as follows:

- Wildfire Risk Reduction – 15%
- Reportable Fire Ignitions – 5%
- Quality Pass Rate – 5%
- Core Commitments Completion – 15%

Although the Wildfire Risk Reduction metric has been carried over from 2021, Reportable Fire Ignitions, Quality Pass Rate, and Core Commitments Completion are new for 2022. Adding these metrics doubles the STIP's weighting for wildfire-related safety metrics from 20% in 2021 to 40% in 2022 (not counting metrics relating to electric 911 emergency response time).

Additionally, Quality Pass Rate and Core Commitments Completion correspond to PG&E's WMP, and therefore align with Energy Safety's statement in approving PG&E's 2021 executive compensation structure that "PG&E must do more work to align executive compensation metrics to those used in the Wildfire Mitigation Plan[.]"<sup>12</sup> Quality Pass Rate consists of four equally weighted components that track the quality of four core WMP programs, as measured by percentages of transmission and distribution inspections performed in High Fire Threat Districts ("HFTD") that pass field quality verification reviews, the percentage of enhanced vegetation management work that passes such reviews, and the percentage of routine vegetation management work in HFTDs that passes such reviews.<sup>13</sup> Similarly, Core Commitments Completion measures timely completion of commitments in the WMP relating

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<sup>12</sup> October 19, 2021 Letter from Office of Energy Infrastructure Safety to PG&E.

<sup>13</sup> See Table 3d.1 above.

to transmission, distribution, and substation inspections, replacement of non-exempt expulsion fuses, and distribution sectionalization devices.<sup>14</sup>

In short, these changes significantly increase the STIP’s weighting toward wildfire safety, and adhere to Energy Safety’s statement that “PG&E must do more work to align executive compensation metrics to those used in the Wildfire Mitigation Plans and continue developing its executive compensation structure to reflect the spirit of [AB 1054] and promote safety as a priority.”<sup>15</sup>

Compliance with POR Decision re Safety and Operational Metrics: The POR Decision imposed the following requirement, which at the time was a future requirement: “[PG&E should] bas[e] a significant component of long-term incentive compensation on safety performance, *as measured by a relevant subset of . . . Safety and Operational Metrics to be developed . . .*”<sup>16</sup> The CPUC approved such Safety and Operational Metrics (“SOMS”) on November 9, 2021.<sup>17</sup> PG&E’s 2022 STIP program design aligns with the POR Decision’s requirement by including numerous metrics that are identical or similar to CPUC-approved SOMS. These metrics are shown in the following chart, with an asterisk denoting a metric that was not used in 2021 and has been added for 2022:

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<sup>14</sup> See id.

<sup>15</sup> October 19, 2021 Letter from Office of Energy Infrastructure Safety to PG&E.

<sup>16</sup> D.20-05-053 at 88 (emphasis added).

<sup>17</sup> See Decision Addressing Phase I, Track 1 and 2 Issues, D.21-11-009 (“SOMS Decision”), in *Order Instituting Rulemaking to Further Develop a Risk-Based Decision-Making Framework for Electric and Gas Utilities*, R.20-07-013.

2022 STIP Program Design Metric <sup>18</sup>	SOMS Analogue(s) <sup>19</sup>
Reportable Fire Ignitions in HFTDs*	Number of CPUC-Reportable Ignitions in HFTD Areas (Distribution) Number of CPUC-Reportable Ignitions in HFTD Areas (Transmission) Fire Ignitions
Total Gas Dig-In Rate (component of Operate Safely Index metric)	Number of Gas Dig-Ins Per 1000 USA Tickets on Transmission and Distribution Pipelines Gas Dig-Ins
Non-Fatal SIF Actuals	Rate of SIF Actuals (Employee) Rate of SIF Actuals (Contractor)
Electric 911 Emergency Response (component of Respond to Emergencies Index metric)	Electric Emergency Response Time
Gas Emergency Response (component of Respond to Emergencies Index metric)	Time to Respond On-Site to Emergency Notification Gas Emergency Response Time

**Additional Changes:** PG&E also has made the following additional changes for 2022:

- PG&E has adopted a new Operate Safely Index metric that includes a safety-related component that was not part of the 2021 STIP program design, namely, Preventable Motor Vehicle Incidents. PG&E adopted this component to promote safe motor vehicle operation. The new Operate Safely Index metric also includes three components that were freestanding metrics in 2021 (Total Gas Dig-In Rate, Diablo Canyon Power Plant Reliability and Safety Indicator, and Safe Dam Operating Capacity).

<sup>18</sup> Detailed descriptions of these metrics appear in Table 3d.1 above.

<sup>19</sup> The CPUC-approved SOMS, as applicable to PG&E, are listed in Appendices A and B to the SOMS Decision.

- PG&E has adopted a new safety-related Respond to Emergencies Index metric that includes components for Gas Emergency Response and Electric 911 Emergency Response. This is not so much a substantive change as it is a restructuring, in that these components were freestanding metrics in 2021.
- PG&E has refined its Customer Experiencing Multiple Interruptions (“CEMI”) metric. For 2022, PG&E is using a metric called CEMI-5 + CEMI-10, which pertains to the percentage of customers who experience five or more sustained outages, and the percentage of customers who experience 10 or more sustained outages. For 2021, PG&E had used a CEMI metric that encompassed only the former.
- Corresponding to PG&E’s adoption of new metrics for 2022, PG&E has omitted certain metrics that were used in 2021, namely, Wires Down Events Due to Equipment Failure; Large Overpressure Events; Days Away, Restricted and Transferred Rate; SIF Investigation Timeliness; SIF Corrective Action Timeliness; and Average Speed of Answer for Emergencies. With PG&E’s adoption of new metrics and omission of these 2021 metrics, there necessarily were changes in some weightings (including, as noted, a doubling of weighting for wildfire safety-related metrics). PG&E Corporation’s People and Compensation Committee determined to make all of these changes in the exercise of its business judgment based on a range of considerations, including a desire to avoid splintering incentives across an unduly large number of metrics, and a desire to ensure that the STIP program design aligns with the letter and spirit of AB 1054 by, among other things, robustly promoting public safety.
- PG&E has changed the performance milestones (threshold, target, and maximum) for various metrics used in 2021 that continue to be used in 2022. PG&E Corporation’s People and Compensation Committee approved the 2022 milestones in the exercise of its business judgment based on a range of considerations, including actual 2021 performance and a desire to promote continual improvement from year to year.

## Section 3f: Historical STIP Data

**Instructions:** Provide historical performance data (five years) for 2022 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. Add rows as necessary.

**Table 3f.1**  
**STIP Metric Historical Actual Performance**<sup>20,21</sup>

Metric/Measure	2017	2018	2019	2020	2021
Non-Fatal SIF Actual	2	2	2	7	3
Gas Emergency Response	20.4	20.6	20.8	20.5	20.6
Electric 911 Emergency Response	96.58%	97.92%	95.20%	97.19%	97.18%
Total Gas Dig-In Rate	2.00	1.72	1.10	1.11	0.98
Preventable Motor Vehicle Incidents (PMVI)	2.43	2.79	2.91	2.61	2.82
DCPP Reliability and Safety Indicator	93.5%	95.0%	97.5%	92.5%	92.5%
Safe Dam Operating Capacity (SDOC)	N/A	N/A	N/A	98.77%	99.75%
Wildfire Risk Reduction	13	2	2	5	3
Reportable Fire Ignitions	201	187	120	155	133
Quality Pass Rate	N/A	N/A	N/A	N/A	0.25
Core Commitment Completion	N/A	N/A	50.0%	65.0%	50.0%
CEMI-5 + CEMI-10	N/A	N/A	N/A	N/A	CEMI-5: 498,969 CEMI-10: 87,503
Non-GAAP Core EPS	\$3.68	\$3.90	\$3.93	\$1.61	\$1.00

<sup>20</sup> Gas Emergency Response and Electric 911 Emergency Response are listed separately in this chart for ease of presentation, but are not freestanding metrics in the 2022 STIP program design. Instead, they are equally weighted components of a metric called Respond to Emergencies Index. Similarly, Total Gas Dig-In Rate, Preventable Motor Vehicle Incidents, DCPP Reliability and Safety Indicator, and SDOC are equally weighted components of an Operate Safely Index metric.

<sup>21</sup> For some 2022 STIP metrics, data capture for prior years may have been based on somewhat different metric definitions.



**Notes/Context:**

The SDOC metric was first included as a STIP metric for the 2020 plan year. No historical data for 2017-2019 is available.

The Quality Pass Rate is a new STIP metric for the 2022 plan year. No historical data for 2017 to 2020 is available.

The Core Commitment Completion metric was tracked starting in 2019. No historical data for 2017 and 2018 is available.

CEMI-5 + CEMI-10 is a new STIP metric for the 2022 plan year. No comparable data for the years 2017 to 2020 is available.

### Section 3g: 2021 STIP Adjustments

**Instructions:** Provide a detailed explanation of any increases and decreases in STIP compensation in 2021 due to failure to meet safety or other targets. Separately describe any adjustments to STIP compensation levels made by the Compensation Committee or executive management and the amount and reason for the reduction. 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.

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

2021 performance was below the STIP targets on the following safety-related metrics: Wildfire Risk Reduction, Wires Down Events Due to Equipment Failure, and Days Away, Restricted and Transfer Rate. Please see Table 3.b.1 for more information.

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

2021 performance was below the STIP target on the following additional metric: Customers Experience Multiple Interruptions. Please see Table 3.b.1 for more information

**iii) Any additional deductions made by the Compensation Committee or Executive Management:**

Please see the letter accompanying this submission.

**iv) Any upward adjustments:**

None

## Section 4: Long-Term Incentive Program (LTIP)

**Rationale:** Pub. Util. Code § 8389(e)(4) requires that electrical corporations' executive incentive compensation structures include 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.

**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, repeat this information for each mechanism (e.g., 3-year, Four-Year).

### Section 4a: LTIP Structure

**Instructions:** Provide name, title/function, grant date and estimated award percentage of TIC for each executive officer listed in Table 1.1 that receives or is expected to receive direct compensation under a LTIP for the applicable years. For purposes of calculating the Grant Value as a 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. For purposes of calculating Earned Value as a percentage of TIC, use the value at the date of vesting. Percentages must be specified for each executive officer and not a range for various position levels. Provide a table for each executive officer. Make copies of the Table 4a.1 table as necessary.

**Table 4a.1**  
**2021 and 2022 LTIP Grants<sup>22,23</sup>**

<b>EVP and Chief Customer Officer/Customer Service, Marlene Santos:</b>		
<b>LTI Type</b>	<b>2021 Performance Year</b>	<b>2022 Performance Year</b>
	<b>Grant Date Fair Value as a % of TIC</b>	<b>Target Value as a % of TIC</b>
Restricted Stock Unit (RSU)	N/A	
Performance Share Unit (PSU)/ Performance Restricted Stock Unit (PRSU)	84%	
Other	N/A	
<b>EVP, Chief Risk Officer &amp; Chief Safety Officer<sup>24</sup>/Risk &amp; Safety, Sumeet Singh:</b>		
<b>LTI Type</b>	<b>2021 Performance Year<sup>25</sup></b>	<b>2022 Performance Year</b>
	<b>Grant Date Fair Value as a % of TIC</b>	<b>Target Value as a % of TIC</b>
Restricted Stock Unit (RSU)	N/A	
Performance Share Unit (PSU)/ Performance Restricted Stock Unit (PRSU)	N/A	
Other	N/A	

<sup>22</sup> Up-front payments in connection with hiring (e.g. payments made to make a new hire whole for compensation left behind at a previous employer) are not included in these charts or elsewhere in this document.

<sup>23</sup> The LTIP grant date fair value as a percent of TIC for Ms. Santos, Mr. Glickman and Mr. Wright is higher in 2021 than 2022, because LTIP grants represent a full year and STIP payments were for a partial year based on their respective hire dates in 2021.

<sup>24</sup> The position of Chief Safety Officer is interim, dependent on the California Public Utilities Commission (“CPUC”) determination of PG&E’s December 15, 2021, Petition for Modification of Commission Decision 20-05-053.

<sup>25</sup> No information is provided for Mr. Singh’s 2021 compensation because during 2021, Mr. Singh was not considered an “executive officer” as defined by AB 1054 and similar officer definitions promulgated by the U.S. Securities and Exchange Commission. Consistent with general corporate practice, PG&E reassessed the identities of its “executive officers” at the beginning of 2022, and at that time concluded that Mr. Singh is an “executive officer” for these purposes for 2022, and therefore 2022 compensation information is provided in this table.

**Table 4a.1  
2021 and 2022 LTIP Grants  
(Continued)**

<b>EVP, Engineering, Planning &amp; Strategy/Engineering, Planning &amp; Strategies, Jason Glickman:</b>		
<b>LTI Type</b>	<b>2021 Performance Year</b>	<b>2022 Performance Year</b>
	<b>Grant Date Fair Value as a % of TIC</b>	<b>Target Value as a % of TIC</b>
Restricted Stock Unit (RSU)	N/A	
Performance Share Unit (PSU)/ Performance Restricted Stock Unit (PRSU)	86%	
Other	N/A	
<b>EVP, Operations &amp; COO/Operations, Adam Wright:</b>		
<b>LTI Type</b>	<b>2021 Performance Year</b>	<b>2022 Performance Year</b>
	<b>Grant Date Fair Value as a % of TIC</b>	<b>Target Value as a % of TIC</b>
Restricted Stock Unit (RSU)	N/A	
Performance Share Unit (PSU)/ Performance Restricted Stock Unit (PRSU)	82%	
Other	N/A	

**Table 4a.1  
2021 and 2022 LTIP Grants  
(Continued)**

<b>EVP, People, Shared Services, &amp; Supply Chain/People, Shared Services &amp; Supply Chain, Julius Cox:</b>		
<b>LTI Type</b>	<b>2021 Performance Year<sup>26</sup></b>	<b>2022 Performance Year</b>
	<b>Grant Date Fair Value as a % of TIC</b>	<b>Target Value as a % of TIC</b>
Restricted Stock Unit (RSU)	N/A	
Performance Share Unit (PSU)/ Performance Restricted Stock Unit (PRSU)	N/A	
Other	N/A	
<b>VP, Controller, Utility CFO/Finance, David Thomason:</b>		
<b>LTI Type</b>	<b>2021 Performance Year</b>	<b>2022 Performance Year</b>
	<b>Grant Date Fair Value as a % of TIC</b>	<b>Target Value as a % of TIC</b>
Restricted Stock Unit (RSU)	N/A	
Performance Share Unit (PSU)/ Performance Restricted Stock Unit (PRSU)	67%	
Other	N/A	

**If “Other” LTIP Type indicated, provide explanation:**

N/A
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<sup>26</sup> No information is provided for Mr. Cox’s 2021 compensation because during 2021, Mr. Cox was not considered an “executive officer” as defined by AB 1054 and similar officer definitions promulgated by the U.S. Securities and Exchange Commission. Consistent with general corporate practice, PG&E reassessed the identities of its “executive officers” at the beginning of 2022, and at that time concluded that Mr. Cox is an “executive officer” for these purposes for 2022, and therefore 2022 compensation information is provided in this table.

**i) Is any LTIP compensation not at risk?**

Yes:  No:

**Describe/Explain:**

N/A

**ii) Were the 2021 LTIP payouts determined based on a performance range (i.e., below minimum/threshold, minimum/threshold, target, maximum)? Check one:<sup>27</sup>**

Yes:  No:

**iii) Did the electrical corporation use one range for all 2021 LTIP metrics or differing ranges based on the category of metric)? Check one:**

One range for all metrics:  Multiple ranges:

**iv) Provide the 2021 LTIP metric range(s):**

**Table 4a.2  
2021 LTIP Performance Range(s)**

	<b>Below Minimum</b>	<b>Minimum</b>	<b>Target</b>	<b>Maximum</b>
System Hardening Effectiveness	0%	50%	100%	200%
Enhanced Vegetation Management Effectiveness	0%	50%	100%	200%
Customer Satisfaction Survey	0%	50%	100%	200%
PSPS Notification Accuracy	0%	50%	100%	200%
Greater Affordability for Customers	0%	50%	100%	200%
Relative Total Shareholder Return (TSR)	0%	50%	100%	200%

<sup>27</sup> PG&E interprets this question to pertain to LTIP performance share awards made in 2018 that were potentially payable in 2021, following completion of a 3-year performance period spanning January 1, 2018 through December 31, 2020. PG&E does not understand this question to pertain to LTIP awards made in 2021, which will not be paid out, as applicable, until 2024. No performance awards made in 2018 were actually paid out in 2021 to executive officers, and therefore, neither “yes” nor “no” has been checked in response to this question. Please see the cover letter accompanying this submission for more information.

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

The interpolation method used is straight line.

**v) Provide the 2022 LTIP metric range(s):**

**Table 4a.3  
2022 LTIP Performance Range(s)**

	<b>Below Minimum</b>	<b>Minimum</b>	<b>Target</b>	<b>Maximum</b>
System Hardening Effectiveness	0%	50%	100%	200%
Enhanced Vegetation Management Effectiveness	0%	50%	100%	200%
Customer Satisfaction Score	0%	50%	100%	200%
System Average Interruption Duration Index (SAIDI)	0%	50%	100%	200%
Greater Affordability for Customers	0%	50%	100%	200%
Relative Total Shareholder Return	0%	50%	100%	200%

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

The interpolation method used is straight line.

**i) Use of Any Performance Triggers**

**Does the electrical corporation's 2022 LTIP use any performance triggers (e.g., must achieve annual earnings per share of at least XYZ before any LTIP payments are made)?** Check one:

Yes:  No:

**If "Yes", please describe any performance triggers:**

N/A



**ii) Use of Any Automatic Deductions**

**Does the electrical corporation’s 2022 LTIP have any automatic deductions (e.g., Failure to achieve WMP targets results in X% reduction, Catastrophic wildfire results in zeroing out all safety metrics)?** Check one:

Yes:  No:

**If “Yes”, please describe all automatic deductions:**

N/A

**Section 4b: LTIP General Eligibility**

**Instructions:** Provide a general description of the executive officers eligible for the electrical corporation’s long-term incentive program. Add additional lines as needed.

**Table 4b.1  
LTIP Eligibility**

Potential LTIP awards are determined by the position’s market. LTIP awards as a percentage of base salary by level are as follows:	
EVP:	[REDACTED]
VP:	[REDACTED]

## Section 4c: LTIP Measures, Weighting and Award Basis

**Instructions:** For each LTIP Type, indicate weighting and basis of award. If basis of award differs amongst position or person, copy Table 4c.1 and Table 4c.2 as necessary and indicate who the table applies to in space provided at the top of the table. Add additional tables if LTIP varies for certain officer classifications.

**Table 4c.1  
2021 LTIP Measures, Weighting and Award Basis**

<b>All Executive Officers</b>		
<b>LTI Type</b>	<b>2021 Weight</b>	<b>2021 Performance Year LTIP Award Basis</b>
<b>Electrical Corporation Actuals</b>		
Stock Grant	N/A	
Stock Option	N/A	
RSU	N/A	
PSU/ PRSU	100%	<ul style="list-style-type: none"> <li>• 35% Public Safety, equally weighted between System Hardening Effectiveness and Enhanced Vegetation Management Effectiveness</li> <li>• 35% Customer Experience, equally weighted between Customer Satisfaction Score and Public Safety Power Shutoff Notification Accuracy.</li> <li>• 30% Financial, equally weighted between Greater Affordability for Customers and Relative Total Shareholder Return.</li> </ul>
Cash	N/A	
Other	N/A	
<b>Weighting Total:</b>	<b>100%</b>	

**Table 4c.2  
2022 LTIP Measures, Weighting and Award Basis**

<b>All Executive Officers</b>		
<b>LTIP Type</b>	<b>2022 Weight</b>	<b>2022 Performance Year LTIP Award Basis<sup>28</sup></b>
<b>Electrical Corporation Actuals</b>		
Stock Grant	N/A	
Stock Option	N/A	
RSU	N/A	
PSU/ PRSU	100%	<ul style="list-style-type: none"> <li>• 40% Public Safety, equally weighted between System Hardening Effectiveness and Enhanced Vegetation Management Effectiveness</li> <li>• 30% Customer Experience, equally weighted between Customer Satisfaction Score and SAIDI.</li> <li>• 30% Financial, equally weighted between Greater Affordability for Customers and Relative Total Shareholder Return.</li> </ul>
Cash	N/A	
Other	N/A	
<b>Weighting Total:</b>	<b>100%</b>	

<sup>28</sup> PG&E is unsure what is meant by “2022 Performance Year” in the context of an LTIP program design that uses a 3-year performance period. PG&E interprets this phrase as inquiring about the 2022 LTIP program design.

## Section 4d: 2022 LTIP Measures, Definitions and Calculations

**Instructions:** Provide detailed definitions and calculations for the 2022 LTIP metrics. For each metric, provide a detailed 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, it would be able to derive the reported results. Also provide the weight given to the metric and the minimum, target and maximum values for the metric.

**Table 4d.1**  
**2022 LTIP Measures**

Measure/Metric	Detailed Definition	Calculation Methodology	Any Adjustment/ Exclusions	Weight	Min.	Target	Max.
System Hardening Effectiveness	<p>Number of circuit miles worked under system hardening program within high-risk areas to reduce wildfire risk through (i) rebuild of overhead circuitry to current hardening design standards; (ii) undergrounding; (iii) removal of overhead circuitry (line removal); and/or (iv) enablement for remote grid. This work is performed in HFTD Tiers 2/3 and High Fire Risk Area (“HFRA”) Tier 1. The metric includes fire rebuild work and any work associated with public safety power shutoff (“PSPS”) events that is consistent with the four above mitigations.</p> <p>This metric is a leading indicator.</p>	<p>Simple count of circuit miles.</p> <p>System hardening projects are recorded as complete and included in metric calculations when individual spans/sections for each project are constructed and inspected for quality control and quality assurance against the hardening design standard and passed as “fire safe.”</p>	<p>Two conditions must be met or else the score for this metric will be 0. Condition 1 is that 80% of system hardening miles must be high-risk miles over the 3-year performance period. High-risk risk miles are defined as: (i) top 20% of approved risk model buydown curve; (ii) fire rebuild miles; (iii) PSPS mitigation miles; and (iv) public safety specialist identified miles. Condition 2 is that at least 10% of the completed system hardening project portfolio over the 3-year performance period must be undergrounding or line removal work.</p> <p>The following exclusions apply:</p> <ul style="list-style-type: none"> <li>• Butte County rebuild miles.</li> <li>• System hardening work performed outside HFTD/HFRA unless the work is in support of a fire rebuild.</li> </ul>	20%	1,701 miles	1,790 miles	1,956 miles
Enhanced Vegetation Management (EVM) Effectiveness	<p>Number of circuit miles of vegetation cleared consistent with the EVM program scope as defined in PG&amp;E’s WMP. EVM work will be performed consistent with the risk-informed details outlined in the WMP.</p> <p>This metric is a leading indicator.</p>	<p>Simple count of circuit miles.</p> <p>An EVM circuit mile is recorded as complete and included in the metric calculation when work validation has determined that all work has been identified and completed consistent with the scope applicable on the date of inspection.</p>	<p>Eighty percent of completed miles over the 3-year performance period must be high-risk miles, or else the score for this metric will be 0. High-risk miles are defined as: (i) top 20% of approved risk model buydown curve; and (ii) fire impacted miles.</p> <p>The following exclusions apply:</p> <ul style="list-style-type: none"> <li>• Routine compliance clearing or the Catastrophic Event Memorandum Account program.</li> <li>• Work performed outside HFTDs/HFRAs.</li> </ul>	20%	5,400 miles	5,670 miles	6,210 miles

**Table 4d.1  
2022 LTIP Measures  
(Continued)**

Measure/Metric	Detailed Definition	Calculation Methodology	Any Adjustment/ Exclusions	Weight	Min.	Target	Max.
Customer Satisfaction Score	Customer satisfaction score as measured by an ongoing survey conducted by a third party retained by PG&E. The score is based on customer responses to a single overall question: "How would you rate the products and/or services offered by PG&E?"  This metric is a lagging, outcome-based indicator.	Customers rate PG&E on a scale of 1 to 10, with 1 meaning "extremely dissatisfied" and 10 meaning "extremely satisfied." Responses are weighted 60% for residential customers and 40% for small business customers. The mean of the total customer responses is multiplied by 10 and then rounded to a half decimal. The final metric score is the full year score for 2024.	The following exclusions apply to customer responses: <ul style="list-style-type: none"> <li>PG&amp;E employees.</li> <li>Customers on "do not contact" list.</li> <li>Large commercial, industrial, and agricultural customers.</li> <li>Customers recently impacted by tragedies (e.g., fire evacuations). Such an exclusion is appropriate due to, for example, the need to avoid distracting customers who may be in immediate peril, and the need to avoid confusion with public safety information emanating from PG&amp;E or local authorities.</li> </ul>	15%	73% score	76% score	78.5% score
System Average Interruption Duration Index (SAIDI)	Number of minutes associated with unplanned sustained outages (including transformer-only outages) that the average customer experiences in a year. This metric encompasses all transmission and distribution outages.  This metric is a lagging, outcome-based indicator.	SAIDI is calculated by multiplying the average duration of customer interruptions by their total number, and then dividing by the total number of customers in the system.	The following exclusions apply: <ul style="list-style-type: none"> <li>2.5 Beta Major Event Days based on Standard 1366 of the Institute of Electrical and Electronics Engineers.</li> <li>Generation / Independent System Operator outages (rotating outages).</li> <li>Momentary outages.</li> <li>Secondary and service-level outages.</li> <li>Planned outages.</li> </ul>	15%	341.3 minutes	334.6 minutes	327.9 minutes
Greater Affordability for Customers	Earnings from core operations, excluding unrecoverable interest expense, measured against authorized earnings.  This metric is a lagging, outcome-based indicator.	Calculated as Authorized Earnings – Core Earnings + Unrecoverable Interest Expense.  Authorized Earnings = Authorized Equity Earning Ratebase × Authorized CPUC Return on Equity cross the enterprise × Authorized CPUC Equity Ratio Percentage.	The following exclusion applies: non-core charges that represent revenues or expenses associated with events or circumstances considered unusual and not part of ongoing core operations, as well as applicable adjustments due to regulatory proceeding schedule changes.	15%			
Relative Total Shareholder Return	The internal rate of return of all cash flows to a shareholder during the performance period, including price gains and dividends, relative to the same measure for a comparator group of companies (a group that is reviewed annually by the PG&E Corporation People and Compensation Committee).	Beginning and ending values are measured in dollars. Return is expressed as a percentage, rounded to one decimal place.	None	15%	25th percentile	50th percentile	90th percentile

## Section 4e: Historical LTIP Data

**Instructions:** Provide historical performance data (five years) for 2022 LTIP 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. Add rows as necessary.

**Table 4e.1**  
**LTIP Metric Historical Actual Performance**

<b>Metric/Measure</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
System Hardening Effectiveness	N/A	N/A	N/A	N/A	211
Enhanced Vegetation Management Effectiveness	N/A	N/A	2,498	1,878	1,983
Customer Satisfaction Score	75.6	77.3	72.6	72	72.6
System Average Interruption Duration Index (SAIDI)	113.4	126.3	148.8	153.2	218.7 (actual) 396.5 (re-baselined to account for EPSS impacts)
Greater Affordability for Customers	N/A	N/A	N/A	N/A	81
Relative Total Shareholder Return	78 <sup>th</sup> percentile	12 <sup>th</sup> percentile	0 percentile	0 percentile	0 percentile

### Notes/Context:

1. System Hardening Effectiveness, Enhanced Vegetation Management Effectiveness, and Greater Affordability for Customers were first used as LTIP metrics in 2021. Data for prior years is therefore not available.

## Section 4f: 2021 LTIP Adjustments

**Instructions:** Provide a detailed explanation of any increases and decreases in 2021 LTIP compensation due to failing to meet safety or other targets. Separately describe any adjustments to LTIP compensation levels made by the Compensation Committee or executive management and the amount and reason for the reduction. 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.

**i) Actual performance lower than target due to failure to meet safety target(s):<sup>29</sup>**

N/A

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

Performance on the following metrics in the 2018 LTIP program design were below target: Relative Total Shareholder Return and Earnings from Operations per Share. Please see the cover letter accompanying this submission.

**iii) Any additional deductions made by the Compensation Committee or Executive Management:**

Please see the cover letter accompanying this submission.

**iv) Any upward adjustments:**

None.

## Section 4g: LTIP Prior Year Actuals

**Instructions:** For any prior year LTIP programs that vested in 2021, provide details of projected and actual payouts/performance.

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<sup>29</sup> PG&E interprets the questions in this Section 4f to pertain to LTIP performance share awards made in 2018 that were potentially payable in 2021, following completion of a three-year performance period spanning January 1, 2018 through December 31, 2020.

**Table 4g.1**  
**LTIP Program Vesting in 2021**

<b>LTIP Program Name</b>	<b>Performance Measure</b>	<b>Projected % of TIC at Time of Grant</b>	<b>Actual % of TIC at Vesting Date</b>
2018 RSU – 3/1/2018	\$41.26	24.3%	2%
2018 PSU – TSR	\$34.23	10.8%	0%
2018 PSU – Safety	\$41.26	5.4%	0%
2018 PSU – Financial	\$41.26	2.7%	0%
Non-Qualified Stock Options	\$41.26	10.8%	0%



## Pub. Util. Code §8389(e)(6): Sections 5-7

To aid Energy Safety in assessing compliance with Pub. Util. Code § 8389(e)(6), electrical corporations must complete Sections 5-7 below for any new or amended contracts for executive officers as defined in Pub. Util. Code § 451.5(c).

### Section 5: Fixed versus Incentive Compensation

**Rationale:** Pub. Util. Code § 8389(e)(6)(A)(i)(I) requires for the issuance of safety certification, that “the electrical corporation has established a compensation structure for any new or amended contracts 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 Pub. Util. Code § 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 5.1, for each executive officer with new or amended contracts, 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 2022 filing year. See the definition of the proceeding terms in **Attachment 2**.

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 5.1  
Fixed versus Incentive Compensation at the Target Level<sup>30</sup>**

Executive Title/ Function and Name (where applicable)	Target Base Salary as a Percent of TC	Target STIP as a Percent of TC	Target LTIP as a Percent of TC	Indirect and Ancillary Compensation as a Percent of TC
EVP and Chief Customer Officer / Customer Service, Marlene Santos				
EVP, Chief Risk Officer & Chief Safety Officer <sup>31</sup> /Risk & Safety, Sumeet Singh				
EVP, Engineering, Planning & Strategy/Engineering, Planning & Strategies, Jason Glickman				
EVP, Operations & COO/Operations, Adam Wright				
EVP, People, Shared Services & Supply Chain/People, Shared Services & Supply Chain, Julius Cox				
VP, Controller, Utility CFO/Finance, David Thomason				

## **Section 6: Indirect or Ancillary Compensation**

**Rationale:** Pub. Util. Code § 8389(e)(6)(A)(iv) requires for the issuance of safety certification, that “the electrical corporation has established a compensation structure for any new or

<sup>30</sup> This table lists PG&E executive officers irrespective of whether they have “new or amended contracts” with PG&E.

<sup>31</sup> The position of Chief Safety Officer is interim, dependent on the California Public Utilities Commission (“CPUC”) determination of PG&E’s December 15, 2021, Petition for Modification of Commission Decision 20-05-053.

amended contracts 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 for executive officers is based on this principle of minimization of indirect or ancillary compensation, Energy Safety needs to understand what indirect or ancillary compensation are given to executive officers with new or amended contracts.

**Instructions:** Please list all indirect and ancillary compensation provided to executive officers with new or amended contracts. See **Appendix A** for the definition of and a list of typical indirect or ancillary compensation. If the electrical corporation provides indirect or ancillary compensation, provide the current estimated proportion of TC for each executive officer. 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. Add rows as necessary. Add explanatory notes as appropriate.

**Table 6.1**  
**Indirect or Ancillary Compensation**<sup>32</sup>

<b>Title</b>	<b>Indirect or Ancillary Compensation Element</b>	<b>Eligibility Requirements</b>	<b>Frequency (One-Time, Annual, Other)</b>	<b>Current Estimated Proportion of TC</b>
EVP and Chief Customer Officer/Customer Service	Defined Contribution Executive Supplemental Retirement Plan (“DC-ESRP”)	VP and above	Monthly	
EVP and Chief Customer Officer/Customer Service	Additional Disability and Dismemberment Insurance	SVP and above	Annual	
EVP, Chief Risk Officer & Chief Safety Officer/Risk & Safety	DC-ESRP	VP and above	Monthly	
EVP, Chief Risk Officer & Chief Safety Officer/Risk & Safety	Additional Disability and Dismemberment Insurance	SVP and above	Annual	
EVP, Engineering, Planning & Strategy/Engineering, Planning & Strategies	DC-ESRP	VP and above	Monthly	
EVP, Engineering, Planning & Strategy/Engineering, Planning & Strategies	Additional Disability and Dismemberment Insurance	SVP and above	Annual	
EVP, Operations & COO/Operations	DC-ESRP	VP and above	Monthly	
EVP, Operations & COO/Operations	Additional Disability and Dismemberment Insurance	SVP and above	Annual	

<sup>32</sup> This table lists PG&E executive officers irrespective of whether they have “new or amended contracts” with PG&E.

**Table 6.1  
Indirect or Ancillary Compensation  
(Continued)**

Title	Indirect or Ancillary Compensation Element	Eligibility Requirements	Frequency (One-Time, Annual, Other)	Current Estimated Proportion of TC
EVP, Operations & COO/Operations	Home Security	On an exception basis, SVP and above, driven by market conditions	Monthly	
EVP, People, Shared Services, & Supply Chain/People, Share Services & Supply Chain	DC-ESRP	VP and above	Monthly	
EVP, People, Shared Services, & Supply Chain/People, Share Services & Supply Chain	Additional Disability and Dismemberment Insurance	SVP and above	Annual	
EVP, People, Shared Services, & Supply Chain/People, Share Services & Supply Chain	Home Security	On an exception basis, SVP and above, driven by market conditions	Monthly	
VP, Controller, Utility CFO/Finance	DC-ESRP	VP and above	Monthly	
VP, Controller, Utility CFO/Finance	Additional Disability and Dismemberment Insurance	SVP and above	Annual	
VP, Controller, Utility CFO/Finance	Gym Membership	SVP and above	Monthly	

**i) Availability of Supplemental Retirement Plans**

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

Yes:  No:

**If “Yes”, please describe the eligibility requirements for the plan(s):**

There are three supplemental retirement plans non-Executive Officers are eligible for: the Supplemental Retirement Savings Plan (“SRSP”), Supplemental Executive Retirement Plan (“SERP”),<sup>33</sup> and the DC-ESRP

Eligibility for the SERP and DC-ESRP is based on job level. Employees who hold an officer position are eligible.

Eligibility for the SRSP is based on job level. Employees who hold a job at the following levels are eligible:

- Officers,
- Senior Directors, Directors, and Chiefs (including certain grandfathered attorneys), or other key employees determined by the Plan Administrator

**ii) Structure of Supplemental Retirement Plans**

**If supplemental retirement plans are available, please 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).**

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<sup>33</sup> The SERP was frozen since 2012 and there have been no new participants since that time.

**Answer:**

**SRSP:**

- Eligibility: Officers of the company, Senior Directors, Directors, and Chiefs.
- Award Basis: The SRSP benefit provides matching employer contribution benefits to eligible employees based on the same benefit formula as the tax-qualified Retirement Savings Plan. These benefits are provided in the SRSP when PG&E is unable to make equivalent contributions to the qualified plan because of limitations imposed by law.
- Type of Payment: Cash.
- Award Schedule: 7 months after termination.

**SERP:**

- Eligibility: Officers of the company, hired or became an officer prior to 2013.
- Award Basis: The SERP provides benefits to covered employees generally based on the same benefit formula as the tax-qualified pension plan. The SERP benefit includes STIP payments as part of covered compensation, and SERP benefits are reduced by amount paid from the tax-qualified pension.
- Type of Payment: Cash.
- Award Schedule: 7 months after retirement (55 and older) lump sum payment and monthly thereafter.

**DC-ESRP:**

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

## Section 7: Long-Term Incentive Program (LTIP)

**Rationale:** Pub. Util. Code § 8389(e)(6)(A)(iii) requires for the issuance of safety certification, that “the electrical corporation has established a compensation structure for any new or amended contracts for executive officers” that meets several principles, 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. This compensation shall be held or deferred for a period of at least three years.” To ensure that the executive compensation structure for electrical corporation executive officers is structured to provide a significant proportion of the compensation based on the electrical corporations long-term performance and value, held or deferred for a period of at least three years, as well as to promote safety as a priority and ensure public safety and utility financial stability, Energy Safety must have an in-depth understanding of the long-term compensation components of an executive compensation structure.

**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, repeat this information for each mechanism (e.g., 3-year, Four-Year).

### Section 7a: LTIP Structure

**Instructions:** Provide name, title/function, grant date, vesting schedule and estimated award percentage of TC for each executive officer with any new or amended contracts that receives or is expected to receive direct compensation under a LTIP for the applicable years. For purposes of calculating the Grant Value as a 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. For purposes of calculating Earned Value as a percentage of TC, use the value at the date of vesting. Percentages must be specified for each executive officer and not a range for various position levels. Provide a table for each executive officer. Make copies of the Table 7a.1 table as necessary.



**Table 7a.1**  
**2021 and 2022 LTIP Grants<sup>34</sup>**

<b>EVP and Chief Customer Officer/Customer Service, Marlene Santos:</b>						
<b>LTI Type</b>	<b>2021 Performance Year</b>			<b>2022 Performance Year</b>		
	<b>Grant Date</b>	<b>Vesting Schedule</b>	<b>Grant Date Fair Value as a % of TC</b>	<b>Anticipated Grant Date</b>	<b>Vesting Schedule</b>	<b>Target Value as a % of TC</b>
Stock Grant	N/A	N/A	N/A	N/A	N/A	
Stock Option	N/A	N/A	N/A	N/A	N/A	
Restricted Stock Unit (RSU)	N/A	N/A	N/A	N/A	N/A	
Performance Share Unit (PSU)/ TSR Metric	3/15/2021	3-year cliff	13%	3/1/2022	3-year cliff	
Performance Share Unit (PSU)/ Business Ops Metrics	3/15/2021	3-year cliff	71%	3/1/2022	3-year cliff	
Other	N/A	N/A	N/A	N/A	N/A	

<sup>34</sup> This table lists PG&E executive officers irrespective of whether they have “new or amended contracts” with PG&E.

**Table 7a.1  
2021 and 2022 LTIP Grants  
(Continued)**

<b>EVP, Chief Risk Officer &amp; Chief Safety Officer<sup>35</sup>/Risk &amp; Safety, Sumeet Singh:</b>						
<b>LTI Type</b>	<b>2021 Performance Year</b>			<b>2022 Performance Year</b>		
	<b>Grant Date</b>	<b>Vesting Schedule</b>	<b>Grant Date Fair Value as a % of TC</b>	<b>Anticipated Grant Date</b>	<b>Vesting Schedule</b>	<b>Target Value as a % of TC</b>
Stock Grant	N/A	N/A	N/A	N/A	N/A	
Stock Option	N/A	N/A	N/A	N/A	N/A	
Restricted Stock Unit (RSU)	N/A	N/A	N/A	N/A	N/A	
Performance Share Unit (PSU)/ TSR Metric	N/A	N/A	N/A	3/1/2022	3-year cliff	
Performance Share Unit (PSU)/ Business Ops Metrics	N/A	N/A	N/A	3/1/2022	3-year cliff	
Other	N/A	N/A	N/A	N/A	N/A	

<sup>35</sup> The position of Chief Safety Officer is interim, dependent on the California Public Utilities Commission (“CPUC”) determination of PG&E’s December 15, 2021, Petition for Modification of Commission Decision 20-05-053.

**Table 7a.1  
2021 and 2022 LTIP Grants  
(Continued)**

<b>EVP, Engineering, Planning &amp; Strategy/Engineering, Planning &amp; Strategies, Jason Glickman:</b>						
<b>LTI Type</b>	<b>2021 Performance Year</b>			<b>2022 Performance Year</b>		
	<b>Grant Date</b>	<b>Vesting Schedule</b>	<b>Grant Date Fair Value as a % of TC</b>	<b>Anticipated Grant Date</b>	<b>Vesting Schedule</b>	<b>Target Value as a % of TC</b>
Stock Grant	N/A	N/A	N/A	N/A	N/A	
Stock Option	N/A	N/A	N/A	N/A	N/A	
Restricted Stock Unit (RSU)	N/A	N/A	N/A	N/A	N/A	
Performance Share Unit (PSU)/ TSR Metric	3/15/2021	3-year cliff	13%	3/1/2022	3-year cliff	
Performance Share Unit (PSU)/ Business Ops Metrics	3/15/2021	3-year cliff	73%	3/1/2022	3-year cliff	
Other	N/A	N/A	N/A	N/A	N/A	

**Table 7a.1**  
**2021 and 2022 LTIP Grants**  
**(Continued)**

<b>EVP, Operations &amp; COO/Operations, Adam Wright:</b>						
<b>LTI Type</b>	<b>2021 Performance Year</b>			<b>2022 Performance Year</b>		
	<b>Grant Date</b>	<b>Vesting Schedule</b>	<b>Grant Date Fair Value as a % of TC</b>	<b>Anticipated Grant Date</b>	<b>Vesting Schedule</b>	<b>Target Value as a % of TC</b>
Stock Grant	N/A	N/A	N/A	N/A	N/A	
Stock Option	N/A	N/A	N/A	N/A	N/A	
Restricted Stock Unit (RSU)	N/A	N/A	N/A	N/A	N/A	
Performance Share Unit (PSU)/ TSR Metric	3/15/2021	3-year cliff	12%	3/1/2022	3-year cliff	
Performance Share Unit (PSU)/ Business Ops Metrics	3/15/2021	3-year cliff	70%	3/1/2022	3-year cliff	
Other	N/A	N/A	N/A	N/A	N/A	

**Table 7a.1  
2021 and 2022 LTIP Grants  
(Continued)**

<b>EVP, People, Shared Services, &amp; Supply Chain/People, Shared Services &amp; Supply Chain, Julius Cox:</b>						
<b>LTI Type</b>	<b>2021 Performance Year</b>			<b>2022 Performance Year</b>		
	<b>Grant Date</b>	<b>Vesting Schedule</b>	<b>Grant Date Fair Value as a % of TC</b>	<b>Anticipated Grant Date</b>	<b>Vesting Schedule</b>	<b>Target Value as a % of TC</b>
Stock Grant	N/A	N/A	N/A	N/A	N/A	
Stock Option	N/A	N/A	N/A	N/A	N/A	
Restricted Stock Unit (RSU)	N/A	N/A	N/A	N/A	N/A	
Restricted Stock Unit (RSU)	N/A	N/A	N/A	N/A	N/A	
Performance Share Unit (PSU)/ TSR Metric	N/A	N/A	N/A	3/1/2022	3-year cliff	
Performance Share Unit (PSU)/ Business Ops Metrics	N/A	N/A	N/A	3/1/2022	3-year cliff	
Other	N/A	N/A	N/A	N/A	N/A	

**Table 7a.1  
2021 and 2022 LTIP Grants  
(Continued)**

<b>VP, Controller, Utility CFO/Finance, David Thomason:</b>						
<b>LTI Type</b>	<b>2021 Performance Year</b>			<b>2022 Performance Year</b>		<b>Target Value as a % of TC</b>
	<b>Grant Date</b>	<b>Vesting Schedule</b>	<b>Grant Date Fair Value as a % of TC</b>	<b>Anticipated Grant Date</b>	<b>Vesting Schedule</b>	
Stock Grant	N/A	N/A	N/A	N/A	N/A	
Stock Option	N/A	N/A	N/A	N/A	N/A	
Restricted Stock Unit (RSU)	N/A	N/A	N/A	N/A	N/A	
Performance Share Unit (PSU)/ TSR Metric	3/15/2021	3-year cliff	10%	3/1/2022	3-year cliff	
Performance Share Unit (PSU)/ Business Ops Metrics	3/15/2021	3-year cliff	57%	3/1/2022	3-year cliff	
Other	N/A	N/A	N/A	N/A	N/A	

**If “Other” LTIP Type indicated, provide explanation:**

N/A
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**ii) Is any LTIP compensation not at risk?**

Yes:  No:

**Describe/Explain:**

N/A

**iii) Were the 2021 LTIP payouts determined based on a performance range (i.e., below minimum/threshold, minimum/threshold, target, maximum)?<sup>36</sup> Check one:**

There were no payouts of performance shares to executive officers in 2021. Please see the cover letter accompanying this submission. Any 2021 payouts of RSUs were time-based, and not based on performance against metrics.

Yes:  No:

**iv) Did the electrical corporation use one range for all 2021 LTIP metrics or differing ranges based on the category of metric)? Check one:**

One range for all metrics:  Multiple ranges:

**v) Provide the 2021 LTIP metric range(s):**

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<sup>36</sup> 2018 LTIP awards that were performance based and that would have paid out in 2021 were based on a performance range. However, no payouts were made to executive officers, at the discretion of the PG&E Corporation People and Compensation Committee.

**Table 7a.2**  
**2021 LTIP Performance Range(s)**

	<b>Below Minimum</b>	<b>Minimum</b>	<b>Target</b>	<b>Maximum</b>
System Hardening Effectiveness	0%	50%	100%	200%
Enhanced Vegetation Management Effectiveness	0%	50%	100%	200%
Customer Satisfaction Score	0%	50%	100%	200%
PSPS Notification Accuracy	0%	50%	100%	200%
Greater Affordability for Customers	0%	50%	100%	200%
Total Shareholder Return	0%	50%	100%	200%

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

The interpolation method used is straight line

**vi) Provide the 2022 LTIP metric range(s):**

**Table 7a.3**  
**2022 LTIP Performance Range(s)**

	<b>Below Minimum</b>	<b>Minimum</b>	<b>Target</b>	<b>Maximum</b>
System Hardening Effectiveness	0%	50%	100%	200%
Enhanced Vegetation Management Effectiveness	0%	50%	100%	200%
Customer Satisfaction Score	0%	50%	100%	200%
System Average Interruption Duration Index (SAIDI)	0%	50%	100%	200%
Greater Affordability for Customers	0%	50%	100%	200%
Relative Total Shareholder Return	0%	50%	100%	200%



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

The interpolation method used is straight line.

**vii) Use of Any Performance Triggers**

**Does the electrical corporation's 2022 LTIP use any performance triggers (e.g., must achieve annual earnings per share of at least XYZ before any LTIP payments are made)?** Check one:

Yes:  No:

**If "Yes", please describe any performance triggers:**

N/A

**viii) Use of Any Automatic Deductions**

**Does the electrical corporation's 2022 LTIP have any automatic deductions (e.g., Failure to achieve WMP targets results in X% reduction, Catastrophic wildfire results in zeroing out all safety metrics)?** Check one:

Yes:  No:

**If "Yes", please describe all automatic deductions:**

N/A

## Section 7c: LTIP Measures, Weighting and Vesting

**Instructions:** For each LTIP Type, indicate vesting period and type. If basis of award differs amongst position or person, copy Table 7c.1 and Table 7c.2 as necessary and indicate who the table applies to in space provided at the top of the table. Add additional tables if LTIP varies for certain officer classifications.

**Table 7c.1**  
**2021 LTIP Measures Vesting**

All Executive Officers	
LTI Type	Vesting Period and Type
Stock Grant	N/A
Stock Option	N/A
RSU	N/A
PSU	3-year vesting; PSUs vest on the third anniversary of the grant date <sup>37</sup>
Cash	N/A
Other	N/A
<b>Weighting Total:</b>	<b>100%</b>

**Table 7c.2**  
**2022 LTIP Measures Vesting**

All Executive Officers	
LTI Type	Vesting Period and Type
Stock Grant	N/A
Stock Option	N/A
RSU	N/A
PSU/ PRSU	3-year vesting; PSUs vest on the third anniversary of the grant date <sup>38</sup>
Cash	N/A
Other	N/A
<b>Weighting Total:</b>	<b>100%</b>

<sup>37</sup> Vested PSUs are paid out, if at all, based on performance against performance metrics, as determined by the People and Compensation Committee in its discretion.

<sup>38</sup> Vested PSUs are paid out, if at all, based on performance against performance metrics, as determined by the People and Compensation Committee in its discretion.