



**Lisa Laanisto**  
Director, Compensation

300 Lakeshore  
Oakland, CA 94612

March 27, 2023

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

Re: Request for Approval of 2023 Executive Compensation Structure (2023 Executive Compensation Docket, #2023-EC Docket)

Dear Director Thomas Jacobs:

Pacific Gas and Electric Company (“PG&E”) is submitting herewith information regarding its 2023 executive compensation structure. PG&E believes that the structure complies with the requirements of Assembly Bill 1054 as codified in Public Utilities Code § 8389(e)(4) and (e)(6), as well as the additional requirements of the California Public Utilities Commission’s June 1, 2020 Decision Approving [the Chapter 11] Reorganization Plan of PG&E and PG&E Corporation (D.20-05-053). PG&E formally requests that the Office of Energy Infrastructure Safety (“Energy Safety”) approve the 2023 structure pursuant to Public Utilities Code § 8389(e)(6)(B).

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

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

Sincerely,

Lisa Laanisto  
Sr. Director, Total Rewards  
Pacific Gas and Electric Company

## Section 1: Incentive Compensation Components

**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 2023 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<sup>1</sup>**  
**INCENTIVE COMPENSATION AT THE TARGET LEVEL**

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, Operations & Chief Operating Officer (COO)/Operations, <sup>2</sup>  Sumeet Singh		

<sup>1</sup> As permitted by Pacific Gas and Electric Company’s (“PG&E” or the “Utility”) Bylaws, the PG&E Board of Directors has allocated the powers and duties of the office of PG&E President to three Executive Vice Presidents: Jason Glickman (EVP, Engineering, Planning & Strategy); Marlene Santos (EVP and Chief Customer Officer), and Sumeet Singh (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> On February 6, 2023, Adam L. Wright, a member of the Board of Directors of PG&E and Executive Vice President, Operations and Chief Operating Officer of the Utility informed the Utility that he is resigning from his positions effective March 1, 2023. On February 10, 2023, the Board of Directors of PG&E appointed Sumeet Singh as a member of the Board of Directors and Executive Vice President, Operations and Chief Operating Officer of the Utility, effective March 1, 2023.

Executive Title/ Function and Name (where applicable)	Target STIP as a Percent of TIC	Target LTIP as a Percent of TIC
EVP, Engineering, Planning & Strategy/Engineering, Planning & Strategies,  Jason Glickman		
EVP, People, Shared Services & Supply Chain/People, Shared Services & Supply Chain,  Julius Cox		
VP, Controller, Utility Chief Financial Officer (CFO)/Finance, <sup>3</sup>  Stephanie Williams		

**Instructions:** In Table 1.2, 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 Base Salary, STIP and LTIP as a proportion of Total Direct Compensation (TDC) for the appropriate 2023 filing year. See the definition of the proceeding terms in **Attachment 2.**

**TABLE 1.2  
TOTAL DIRECT COMPENSATION AT THE TARGET LEVEL<sup>4</sup>**

Executive Title/ Function and Name (where applicable)	Target Base Salary as a Percent of TDC	Target STIP as a Percent of TDC	Target LTIP as a Percent of TDC
EVP and Chief Customer Officer/Customer Service,  Marlene Santos			

<sup>3</sup> As of January 9, 2023, David Thomason transitioned from his role as VP Controller, Utility Chief Financial Officer. Effective January 10, 2023 Stephanie Williams became the VP, Controller, Utility Chief Financial Officer (CFO)/Finance.

<sup>4</sup> Numbers in this table are rounded and may not add to 100%.

Executive Title/ Function and Name (where applicable)	Target Base Salary as a Percent of TDC	Target STIP as a Percent of TDC	Target LTIP as a Percent of TDC
EVP, Operations & Chief Operating Officer (COO)/Operations, <sup>5</sup> Sumeet Singh			
EVP, Engineering, Planning & Strategy/Engineering, Planning & Strategies, Jason Glickman			
EVP, People, Shared Services & Supply Chain/People, Shared Services & Supply Chain, Julius Cox			
VP, Controller, Utility Chief Financial Officer (CFO)/Finance, <sup>6</sup> Stephanie Williams			

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<sup>5</sup> On February 6, 2023, Adam L. Wright, a member of the Board of Directors of PG&E and Executive Vice President, Operations and Chief Operating Officer of the Utility informed the Utility that he is resigning from his positions effective March 1, 2023. On February 10, 2023, the Board of Directors of PG&E appointed Sumeet Singh as a member of the Board of Directors and Executive Vice President, Operations and Chief Operating Officer of the Utility, effective March 1, 2023.

<sup>6</sup> As of January 9, 2023, David Thomason transitioned from his role as VP Controller, Utility Chief Financial Officer. Effective January 10, 2023 Stephanie Williams became the VP, Controller, Utility Chief Financial Officer (CFO)/Finance.

## Section 2: Executive Officer Exclusion Rationale

**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 Public Utilities Code section 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 Public Utilities Code section 451.5(c) (See Attachment 4).

Include all positions within a tier in the table.

**TABLE 2.1<sup>7,8</sup>**  
**PUBLIC UTILITIES CODE SECTION 451.5(C) EXCLUSION RATIONALES**

<b>Officer Position</b>	<b>Exclusion Rationale</b>
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, Vegetation Management & System Inspections, Operations	This individual does not perform policy making functions.

### **i) Definition of policy making:**

Explain how the electrical corporation defines policy making for purposes of the inclusion or exclusion of personnel pursuant to Public Utilities Code section 451.5(c):

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<sup>7</sup> Limited to active officers as of March 7, 2023.

<sup>8</sup> The VP, Treasurer and VP, Corporate Secretary have been omitted from this filing as they are not positions in the highest three tiers of officers and these officer positions do not perform policy making functions, a necessary predicate for “executive officer” status under Public Utilities Code § 451.5.

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

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

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

### Section 3a: STIP Structure

i) **STIP Payment Type.** Check one:

Cash:  Other:

If other, describe the other type of STIP payment:

N/A

ii) **Use of Any Performance Triggers**

Does the electrical corporation's 2023 STIP use any performance triggers (e.g., must achieve certain annual earnings per share before any STIP payments are made)? Check one:

Yes:  No:

If "Yes," describe any performance triggers:

N/A

iii) **Use of Any Automatic, Non-Discretionary Deductions**

Does the electrical corporation's 2023 STIP have any automatic non-discretionary deductions (e.g., failure to achieve WMP targets results in X% reduction, catastrophic wildfire results in zeroing out all safety metrics)? Check one:

Yes:  No:

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

There are two non-discretionary performance triggers that are new for 2023:

1. In the event of a fatality resulting from any fire caused by PG&E equipment, the Wildfire Risk Reduction metric will automatically be zeroed out.
2. In the event of an on-the-job coworker fatality, the Non-Fatal SIF Rate metric will be zeroed out.

**iv) Use of Any Specifically Defined Discretionary Deductions**

Does the electrical corporation's 2023 STIP have any defined deductions (e.g., foundational, deduct only goals) that are part of the compensation structure? Check one:

Yes:  No:

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

N/A

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

Were the 2022 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 2022 STIP metrics or differing ranges based on the category of metric? Check one:

One range for all metrics:  Multiple ranges:

If multiple ranges are used, explain why:

In 2022, all metrics included in the STIP design had a range of 0%-200% with the exception of the Core Commitment Completion metric, which had a maximum score of 100%. This metric measured the timely completion of five core commitments in PG&E's WMP, with 100% corresponding to meeting all five of the commitments and therefore representing the maximum performance for this metric.

Provide the 2022 STIP metric performance range(s):

**TABLE 3A.1  
2022 STIP METRIC PERFORMANCE RANGE(S)<sup>9</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%	50%	100%	N/A
CEMI 5 + CEMI 10	0%	50%	100%	200%

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<sup>9</sup> Gas Emergency Response and Electric 911 Emergency Response are listed separately in this chart for ease of presentation, but were not freestanding metrics in the 2022 STIP program design. Instead, they were equally weighted components of a metric called Respond to Emergencies Index. Similarly: (i) Total Gas Dig-In Rate, Preventable Motor Vehicle Incidents, DCP Reliability and Safety Indicator, and SDOC were equally weighted components of an Operate Safely Index metric; and (ii) 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 were equally weighted components of a Quality Pass Rate metric.

	<b>Below Minimum</b>	<b>Minimum</b>	<b>Target</b>	<b>Maximum</b>
Non-GAAP Core EPS	0%	50%	100%	200%

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

The interpolation method used was straight line.

**vi) Use of a Performance Range – 2023**

Do the 2023 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 2023 STIP metrics or differing ranges based on the category of metric)? Check one:

One range for all metrics:  Multiple ranges:

If multiple ranges are used, explain why:

N/A

Provide the 2023 STIP metric performance range(s):

**TABLE 3A.2  
2023 STIP METRIC PERFORMANCE RANGE(S)<sup>10</sup>**

	<b>Below Minimum</b>	<b>Minimum</b>	<b>Target</b>	<b>Maximum</b>
Non-Fatal SIF Rate	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 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%
Routine Vegetation Management Quality Verification Pass Rate	0%	50%	100%	200%

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<sup>10</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 2023 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.

	<b>Below Minimum</b>	<b>Minimum</b>	<b>Target</b>	<b>Maximum</b>
CEMI 5 + CEMI 10	0%	50%	100%	200%
Operating Cash Flow	0%	50%	100%	200%
Non-GAAP Core EPS	0%	50%	100%	200%

Describe the interpolation method between categories:

The interpolation method used is straight line.

Did the performance range change for any metrics between 2022 and 2023? Check one:

Yes:  No:

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

N/A

**vii) Use of Performance Modifiers – 2022 Actual**

Did the electrical corporation’s 2022 STIP involve the use of any of the following types of performance modifiers?

Individual Performance Modifier – 2022, check one:

Yes:  No:

If Yes, describe each performance modifiers:

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

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

**TABLE 3A.3  
INDIVIDUAL PERFORMANCE MODIFIERS – 2022 ACTUAL**

Executive Title/ Function and Name (where applicable)	Increase/ Decrease	Percentage Change	Factors in/Reason for Adjustment (1)
EVP and Chief Customer Officer/Customer Service, Marlene Santos			

Executive Title/ Function and Name (where applicable)	Increase/ Decrease	Percentage Change	Factors in/Reason for Adjustment (1)
EVP, Chief Risk Officer & Chief Safety Officer/Risk & Safety,  Sumeet Singh			
EVP, Engineering, Planning & Strategy/Engineering, Planning & Strategies,  Jason Glickman			
EVP, Operations & Chief Operating Officer (COO)/Operations,  Adam Wright			

Executive Title/ Function and Name (where applicable)	Increase/ Decrease	Percentage Change	Factors in/Reason for Adjustment (1)
EVP, People, Shared Services & Supply Chain/People, Shared Services & Supply Chain,  Julius Cox			
VP, Controller, Utility Chief Financial Officer (CFO)/Finance,  David Thomason			

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

Did the electrical corporation’s 2022 STIP involve the use of any of the following types of performance modifiers?

Company Performance Modifier – 2022, check one:

Yes:  No:

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

N/A

Board Discretion, check one:

Yes:  No:

If Yes, describe and quantify the impact of the board's discretion:

N/A

## Section 3b: 2022 STIP Metrics – Minimum, Target, Maximum and Actual

**Instructions:** Complete Table 3b.1 for the 2022 STIP metrics, adding rows as necessary. See **Attachment 3** for a discussion of categories and sub-categories.

**TABLE 3B.1  
2022 STIP – MINIMUM, TARGET AND MAXIMUM VERSUS ACTUAL**

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Actual Performance	Weighted Contribution
Wildfire Safety	Wildfire Mitigation	Wildfire Risk Reduction	Lagging, Outcome-Based Indicator	15%	2 ignitions	1 ignition	0 ignitions	1 ignition	0.150
Wildfire Safety	Wildfire Mitigation	Reportable Fire Ignitions in HFTDs	Lagging, Outcome-Based Indicator	5%	116 ignitions	103 ignitions	90 ignitions	89 ignitions	0.100
Wildfire Safety	Wildfire Mitigation	Distribution Inspection Quality Verification Pass Rate	Leading & Lagging Indicators	1.25%	88.00%	90.00%	92.00%	77.97%	0.000
Wildfire Safety	Wildfire Mitigation	Transmission Inspection Quality Verification Pass Rate	Leading & Lagging Indicators	1.25%	93.50%	95.50%	97.50%	96.29%	0.018
Wildfire Safety	Wildfire Mitigation	Enhanced Vegetation Management Quality	Leading & Lagging Indicators	1.25%	99.30%	99.50%	99.70%	99.91%	0.025

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Actual Performance	Weighted Contribution
		Verification Pass Rate							
Wildfire Safety	Wildfire Mitigation	Routine Vegetation Management Quality Verification Pass Rate	Leading & Lagging Indicators	1.25%	98.80%	99.15%	99.50%	96.28%	0.000
Wildfire Safety	Wildfire Mitigation	Core Commitment Completion	Leading & Lagging Indicators	15%	80%	100%	-	100%	0.150
<b>Subtotal</b>				<b>40%</b>					<b>0.443</b>
Other Safety	Workforce Safety	Non-Fatal SIF Actuals	Lagging, Outcome-Based Indicator	5%	2 injuries	1 injury	0 injuries	4 injuries	0.00
Other Safety	Emergency Response	Gas Emergency Response	Lagging Indicator	2.5%	21.0 minutes	20.5 minutes	20.0 minutes	19.9 minutes	0.050
Other Safety	Emergency Response	Electric 911 Emergency Response	Lagging Indicator	2.5%	96.01%	97.30%	98.13%	98.23%	0.050
Other Safety	Public Safety - Gas	Total Gas Dig-In Rate	Lagging, Outcome-Based Indicator	5%	1.13 rate	0.98 rate	0.95 rate	0.94 rate	0.100
Other Safety	Workforce Safety	Preventable Motor Vehicle Incidents (PMVI)	Lagging, Outcome-	5%	2.68 rate	2.61 rate	2.54 rate	2.47 rate	0.071

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Actual Performance	Weighted Contribution
			Based Indicator						
Other 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	96.00 score	0.079
Other 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	96.93% capacity	0.082
Subtotal				30%					0.432
Customer Service	N/A	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	CEMI-5: 456,265 CEMI-10: 70,877	0.043
Subtotal				5%					0.043
Financial	N/A	Non-GAAP Core Earnings Per Share	Lagging, Outcome-Based Indicator	25%	\$1.05	\$1.10	\$1.15	\$1.10	0.250
Subtotal				25%					0.250
Total				100%					1.168

### Section 3c: 2023 STIP Metrics – Minimum, Target, and Maximum

**Instructions:** Complete Table 3c.1 for the 2023 STIP. Provide details of the STIP metrics and minimum, target and maximum performance values for the filing year. Wildfire safety metrics must be categorized separately (with no other metrics) and must include a weighting. Add additional rows as needed.

**Table 3c.1  
2023 STIP Metrics**

Class	Sub-Class	Metric	Metric Type	Weight <sup>11</sup>	Min	Target	Max
Performance Range							
Wildfire Safety	Wildfire Mitigation	Wildfire Risk Reduction	Lagging, Outcome-Based Indicator	15%	2	1	0
Wildfire Safety	Wildfire Mitigation	CPUC Reportable Fire Ignitions in HFTDs	Lagging, Outcome-Based Indicator	10%	90	86	82
Wildfire Safety	Wildfire Mitigation	Distribution Inspection Quality Verification Pass Rate	Leading & Lagging Indicators	5%	78.00%	79.77%	81.59%
Wildfire Safety	Wildfire Mitigation	Transmission Inspection Quality Verification Pass Rate	Leading & Lagging Indicators	5%	96.29%	97.25%	98.23%
Wildfire Safety	Wildfire Mitigation	Routine Vegetation Management Quality Verification Pass Rate	Leading & Lagging Indicators	5%	96.30%	97.26%	98.24%
Subtotal				40%			
Performance Range							

<sup>11</sup> Updated weights for Quality Verifications Pass Rate metrics in R1 submission on March 27, 2023.

Class	Sub-Class	Metric	Metric Type	Weight <sup>11</sup>	Min	Target	Max
Other Safety	Workforce Safety	Non-Fatal SIF Rate	Lagging, Outcome-Based Indicator	5%	0.005	0.003	0.000
Other Safety	Emergency Response	Gas Emergency Response	Lagging Indicator	2.5%	20.5 mins	19.9 mins	18.9 mins
Other Safety	Emergency Response	Electric 911 Emergency Response	Lagging Indicator	2.5%	97.19%	98.3%	99.0%
Other Safety	Public Safety - Gas	Total Gas Dig-In Rate	Lagging, Outcome-Based Indicator	5%	1.11	1.05	0.86
Other Safety	Workforce Safety	Preventable Motor Vehicle Incidents (PMVI)	Lagging, Outcome-Based Indicator	5%	2.58	2.53	2.48
Other Safety	Public Safety - Generation	D CPP Reliability and Safety Indicator	Leading and Lagging, Outcome-Based Indicator	5%	95.0	97.5	100.00
Other Safety	Public Safety - Generation	Safe Dam Operating Capacity (SDOC)	Leading and Lagging, Outcome-Based Indicator	5%	96.2%	97.0%	97.8%
Subtotal				30%			
Performance Range							
Customer Service	N/A	CEMI-5 + CEMI-10	Lagging, Outcome-Based Indicator	5%	CEMI-5, 456,265 CEMI-10, 70,295	CEMI-5, 442,577 CEMI-10, 68,186	CEMI-5, 428,889 CEMI-10, 66,007
Subtotal				5%			

Class	Sub-Class	Metric	Metric Type	Weight <sup>11</sup>	Min	Target	Max
Performance Range							
Financial	N/A	Operating Cash Flow	Lagging, Outcome-Based Indicator	5%			
Financial	N/A	Non-GAAP Core Earnings Per Share	Lagging, Outcome-Based Indicator	20%			
Subtotal				25%			
Total				100%			

### **Section 3d: 2023 STIP Metric Definition and Calculation**

**Instructions:** Provide detailed definitions, whether the metric is leading, lagging or outcome, and calculations for the 2023 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  
2023 STIP – METRIC DEFINITIONS AND CALCULATION**

Measure/Metric	Detailed Definition	Calculation Methodology	Any Adjustment/Exclusions
Non-Fatal SIF Rate	<p>A work-related high energy incident from work at/for PG&amp;E that results in any 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>	<p>Metric will be reported as a rate calculated as Count × 200,000/Hours Worked.</p> <p>Count will include the number of individuals with SIF level injuries.</p>	<p>SIF Potential Incidents and Fatalities are excluded. Intentional acts of violence or sabotage also are excluded.</p> <p>The score for this metric will be 0 in case of a workplace coworker fatality.</p>
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</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> </ul>

Measure/Metric	Detailed Definition	Calculation Methodology	Any Adjustment/Exclusions
		<p>when a gas emergency order is created and timestamped.</p>	<ul style="list-style-type: none"> <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 clearly not the source of the odor complaint.</li> <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> <li>• If the Field Automation System is unavailable (such as during a tech down event) the jobs cannot be created in the system and are therefore an exception (not available to be included in the volume).</li> </ul>

Measure/Metric	Detailed Definition	Calculation Methodology	Any Adjustment/Exclusions
Electric 911 Emergency Response	Measures the percentage of time that PG&E personnel respond (are onsite) within 60 minutes after receiving a 911 call, with onsite defined as arriving at the premises where the 911 agency personnel are waiting. This metric is a lagging indicator.	Number of times that PG&E electric personnel respond (are onsite) within 60 minutes after receiving a 911 call, divided by total number of electric-related 911 calls.	<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>
Total Gas Dig-In Rate	<p>Number of dig-ins to PG&amp;E gas subsurface installations per 1,000 Underground Service Alert (“USA”) tickets received. The dig-in component tracks all gas dig-ins to PG&amp;E gas subsurface installations. A dig-in refers to damage that occurs during excavation activities (impact or exposure) and that results in repair or replacement of an underground gas facility.</p> <p>This metric is a lagging, outcome-based indicator.</p>	Number of dig-ins to PG&E gas subsurface installations per 1000 USA tickets received.	<p>This metric does not include PG&amp;E dig-ins to third parties (e.g., sewer, water, telco). Electric and Fiber dig-ins are also excluded from the dig-in count. Also excluded from the dig-in count are the following:</p> <ul style="list-style-type: none"> <li>• Damages to above-ground infrastructure, such as meters and risers, or overbuilds.</li> <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>• Any Intentional damage to pipeline (e.g., drilling or cutting).</li> <li>• Damage caused by driving over a covered facility (e.g., if a heavy vehicle damages a gas pipe, non-excavation).</li> <li>• Damage to abandoned facilities.</li> <li>• Damage due to materials failure.</li> </ul>

Measure/Metric	Detailed Definition	Calculation Methodology	Any Adjustment/Exclusions
			<ul style="list-style-type: none"> <li>Damage caused to gas lines by other non-excavation works such as trench collapse, soldering, welding.</li> <li>Facility has been fully exposed, and damage is not as a result of excavation (CGC 4216 G) activity.</li> </ul>
Preventable Motor Vehicle Incidents	<p>A Preventable Motor Vehicle Incident (PMVI) is any incident where 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.</p> <p>The calculation includes company, rental, and personal vehicles driven for PG&amp;E business.</p>	<p>The following exclusions apply:</p> <ul style="list-style-type: none"> <li>Non-preventable incidents</li> <li>Contractor incidents</li> <li>Off-road equipment such as forklifts, excavators, backhoes, snowcats, Utility-Terrain Vehicles which are not motor vehicles registered to operate on the road.</li> </ul>
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>	None.
Safe Dam Operating Capacity (“SDOC”)	<p>Measure of operating capability of mechanical equipment used as the main control to reduce the</p>	<p>SDOC is calculated as one minus the ratio of controlled outlet days forced out (“CODFO”) to controlled</p>	<p>Passive equipment and features, such as passive spillways, tripable flashboards, and siphons and components whose safety functions have been fully mitigated.</p>

Measure/Metric	Detailed Definition	Calculation Methodology	Any Adjustment/Exclusions
	<p>enterprise risk of a large uncontrolled water release.</p> <p>This metric is a leading and a lagging, outcome-based indicator.</p>	<p>outlet days available (“CODA”) for the metric dam population. In other words, <math>SDOC = 1 - (CODFO \div CODA)</math>.</p>	
Wildfire Risk Reduction	<p>The metric measures the count of Fire Ignitions in PG&amp;E’s High Fire Threat Districts (HFTDs) and High Fire Risk Areas (HFRAs) that are reportable to the CPUC per Decision 14-02-015 and meet one of the three criteria: (i) Ignitions that result in fires &gt; 5,000 acres, (ii) Ignitions that result in fires that damage or destroy &gt; 500 structures, or (iii) Ignitions that result in fires that cause a third-party fatality.</p> <p>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>	Simple count of qualifying ignitions.	<p>Ignitions meeting the criteria will be counted if PG&amp;E submits an Electric Incidents report (EIR) with a PG&amp;E-attributable ignition cause. If the ignition source is unknown, disputed or under investigation, it will also be counted if PG&amp;E submits an EIR and records a financial reserve associated with that ignition</p> <p>The overall end-of-year STIP score for this metric will be 0 in the event of an ignition associated with PG&amp;E powerlines that result in a fire that causes a third-party fatality.</p> <ul style="list-style-type: none"> <li>A fatality to a coworker or contract partner would be captured as part of the Non-Fatal SIF Rate metric.</li> </ul>

Measure/Metric	Detailed Definition	Calculation Methodology	Any Adjustment/Exclusions
	This metric is a lagging, outcome-based indicator.		
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.	<p>The following exclusion applies:</p> <ul style="list-style-type: none"> <li>• Fire ignition incidents occurring outside of HFTD or HFRA</li> </ul>
Quality Pass Rate	This metric consists of three equally weighted components that track the quality of three core Wildfire Mitigation Plan ("WMP") programs as measured by:	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>Transmission and Distribution Quality Verification Reviews exclude:</p> <ul style="list-style-type: none"> <li>• Quality Verification reviews performed on Transmission and Distribution inspections not included in the 2023 work plan as of 12/31/2022.</li> <li>• Non-critical defects identified in Quality Verification reviews.</li> <li>• Quality Verification of Inspections completed prior to 1/1/2023 or after 12/31/2023</li> <li>• Aerial drone inspections.</li> </ul> <p>Routine VM Quality Verifications exclude:</p> <ul style="list-style-type: none"> <li>• Quality Verification of other Vegetation Management programs (i.e., the Catastrophic Event Memorandum Account)</li> <li>• Observations findings for Routine VM Quality Verifications</li> <li>• Quality Verification of Routine VM completed prior to 1/1/2023 or after 12/31/2023</li> <li>• Over-list - Trimming tree that doesn't need to be trimmed this year.</li> </ul> <p>Enhanced Vegetation Management (EVM)</p>

Measure/Metric	Detailed Definition	Calculation Methodology	Any Adjustment/Exclusions
	<p>(i) Percentage of distribution inspections performed in HFTDs that passes the field quality verification reviews and contain no critical defects.</p> <p>(ii) Percentage of transmission inspections performed in HFTDs that passes the field quality verification reviews and contain no critical defects.</p> <p>(iii) Percentage of the completed routine vegetation management (“VM”) work in HFTDs that passes the quality verification field reviews.</p> <p>All three components of this metric are leading and lagging, outcome-based indicators.</p>		<ul style="list-style-type: none"> <li>The EVM program was retired at the end of 2022, and thus has been removed from the 2023 QPR.</li> </ul>
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</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> </ul>

Measure/Metric	Detailed Definition	Calculation Methodology	Any Adjustment/Exclusions
	<p>sustained interruptions (planned or unplanned).</p> <p>This metric is a lagging, outcome-based indicator.</p>		<ul style="list-style-type: none"> <li>• Momentary outages</li> <li>• Secondary and service-level outages (not reported in the Integrated Logging Information System data base)</li> </ul>
Operating Cash Flow	<p>Operating Cash Flow (“OCF”) measures the Company’s cash flows from normal operations. This Key Performance Indicator (“KPI”) will align with the consolidated GAAP financial statements.</p>	<p>The OCF KPI is calculated by starting with Billed Revenue (cash income) and subtracting cash spend from operating activities (e.g., Cost of Energy, Functional Area Earnings Impacting Expense, and Functional Area Non-Earnings Impacting Expense).</p>	<p>Potential exclusions will be reviewed with the People and Compensation Committee of the PG&amp;E Corporation Board of Directors (which advises the Utility’s Board regarding executive compensation matters) on a quarterly basis and monitored throughout the year. Potential exclusions could include impacts to OCF outside of the Utility’s control. Examples may include tax regulatory reform, certain factors impacting energy costs and recovery, and collections from customers due to COVID-19.</p>
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>Non-GAAP Core Earnings Per Share excludes non-core charges that represent revenues or expenses associated with events or circumstances not considered representative of ongoing operations.</p>

## Section 3e: STIP Changes

**Instructions:** Describe any changes between 2022 and 2023 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).

For metrics that were carried forward from 2022 to 2023, the threshold, target and maximum performance milestones were updated to reflect 2023 workplans, which consider, but are not limited to, the following factors: external commitments, benchmarks, and forecasted weather conditions.

Changes to metrics in the 2023 STIP include:

- The Core Commitment Completion metric was removed for the 2023 STIP and its weight was distributed to Reportable Fire Ignitions (+5%) and Quality Pass Rate (+15%) to maintain the 40% weight of wildfire safety metrics.
- The Operating Cash Flow metric was added to the financial section to reflect key financial measures monitored internally (along with Core EPS) and assigned a weight of 5%, reducing Core EPS by 5% to maintain the financial metric weighting of 25%.
- The Wildfire Risk Reduction metric definition has been updated to align with the definition of catastrophic wildfires outlined by Energy Safety in the 2023 Wildfire Mitigation Plan.

## Section 3f: Historical STIP Data

**Instructions:** Provide five years of historical performance data for 2023 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**

Metric/Measure	2018	2019	2020	2021	2022
Non-Fatal SIF Rate	0.005	0.004	0.014	0.005	0.007
Gas Emergency Response	20.6	20.8	20.5	20.6	19.9
Electric 911 Emergency Response	97.92%	95.20%	97.19%	97.18%	98.23%
Total Gas Dig-In Rate	1.72	1.10	1.11	0.98	0.94
Preventable Motor Vehicle Incidents (PMVI)	2.79	2.91	2.61	2.82	2.58
DCPP Reliability and Safety Indicator	95.0%	97.5%	92.5%	92.5%	96.00%
Safe Dam Operating Capacity (SDOC)	N/A	N/A	98.77%	99.75%	96.93%
Wildfire Risk Reduction	2	2	5	3	1
Reportable Fire Ignitions	187	120	155	133	89
Quality Pass Rate	N/A	N/A	N/A	0.25	0.850
CEMI-5 + CEMI-10	N/A	N/A	N/A	CEMI-5: 498,969	CEMI-5: 456,265

				CEMI-10: 87,503	CEMI-10: 70,877
Operating Cash Flow					
Non-GAAP Core EPS	\$3.90	\$3.93	\$1.61	\$1.08	\$1.10

Notes/Context:

The SDOC metric was first included as a STIP metric for the 2020 plan year. No historical data for 2018 to 2019 is available.

The Quality Pass Rate was included as a STIP metric for the 2022 plan year. No historical data for 2018 to 2020 is available.

CEMI-5 + CEMI-10 was included as a STIP metric for the 2022 plan year. No comparable data for the years 2018 to 2020 is available.

Operating Cash Flow is a new STIP Metric for the 2023 plan year.

## Section 3g: 2022 STIP Adjustments

**Instructions:** Provide a detailed explanation of any increases and decreases in STIP compensation in 2022 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):**

The Non-Fatal SIF Actual and Quality Pass Rate metrics were below the thresholds, resulting in scores of zero for these metrics.

Non-Fatal SIF Actuals: the actual rate was 4 incidents, which was below the threshold value of 2, resulting in a zero score for this metric.

Quality Pass Rate: the actual rate was 0.85, which was below the target value of 1.0.

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

CEMI-5 and CEMI-10: the composite rate was 0.850, which was below the target value of 1.0.

**iii) Any deductions due to failure to meet “foundational goals”:**

N/A

**iv) Any deductions due to failure to meet earnings targets or thresholds:**

None

**v) Any additional deductions made by the Compensation Committee or executive management, that were not based on failure to meet earnings targets:**

None

**vi) Any upward adjustments made by the Compensation Committee or executive management and reason(s) for the adjustment(s):**

None

## Section 3h: 2022 and 2023 STIP Metric Ties to Other Metrics

### 2022 STIP

**Instructions:** For each metric included in the 2022 STIP, indicate whether the metric is tied to the electrical corporation’s WMP (and the associated initiative number) and whether it is similar in nature to SOM and/or SPM metrics (and the associated SOM and/or SPM number). For metrics similar in nature to a SOM, explain any differences between the electrical corporation’s calculation of that metric and the required SOM method of calculation of that metric.

**Table 3h.1**  
**2022 STIP – Ties to WMP, SPMs, and SOMs**

Executive Compensation Structure Submission STIP Measure/Metric	WMP Related Yes/ No	WMP Related Initiative Number	Similar to SPM Yes/ No	Similar to SPM SPM Number	Similar to SOM Yes/ No	Similar to SOM SOM Number	Description of Computational/ Definitional Differences
Non-Fatal SIF Actuals	No	N/A	No	N/A	Yes	Appendix A Nos. 1.1 and 1.2 <sup>12</sup>	SOM includes fatality counts and are split by employee and contractor; additionally, for SOM, PG&E uses the Edison Electric Institute Occupational Safety & Hazard Committee (“EEI OS&HC”) serious injury criteria which define a serious injury using 14 specific

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<sup>12</sup> The CPUC-approved SOMS, as applicable to PG&E, are listed in Appendices A and B to the Decision Addressing Phase I, Track 1 and 2 Issues, D.21-11-009, in *Order Instituting Rulemaking to Further Develop a Risk-Based Decision-Making Framework for Electric and Gas Utilities*, R.20-07-013.

Executive Compensation Structure Submission STIP Measure/Metric	WMP Related Yes/ No	WMP Related Initiative Number	Similar to SPM Yes/ No	Similar to SPM SPM Number	Similar to SOM Yes/ No	Similar to SOM SOM Number	Description of Computational/ Definitional Differences
							injury criteria as compared to PG&E’s internal definition of life threatening/life altering injury.
Gas Emergency Response	No	N/A	Yes	11	Yes	Appendix A No. 4.3, Appendix B No. 11	STIP measures average response time for immediate response orders.  SOM/SPM measures average & median time to respond to gas emergency notification.
Electric 911 Emergency Response	No	N/A	Yes	03	Yes	Appendix A No. 3.12, Appendix B No. 3	SOM/SPM measures average & median Electric 911 response time. STIP measures % PG&E responds on-site within 60 minutes.
Total Gas Dig-In Rate	No	N/A	Yes	05	Yes	Appendix A No. 4.1, Appendix B No. 5	STIP measures all dig-ins per PG&E tickets received from all parties (i.e.,

Executive Compensation Structure Submission STIP Measure/Metric	WMP Related Yes/ No	WMP Related Initiative Number	Similar to SPM Yes/ No	Similar to SPM SPM Number	Similar to SOM Yes/ No	Similar to SOM SOM Number	Description of Computational/ Definitional Differences
							1st, 2nd and 3rd parties).  SOM measures all dig-ins per 3rd party tickets only.  SPM measures 3rd party dig-ins per PG&E tickets received from all parties (i.e., 1st, 2nd and 3rd parties).
Preventable Motor Vehicle Incidents (PMVI)	No	N/A	No	N/A	No	N/A	N/A
DCPP Reliability & Safety Indicator	No	N/A	No	N/A	No	N/A	N/A
Safe Dam Operating Capacity (SDOC)	No	N/A	No	N/A	No	N/A	N/A
Wildfire Fire Risk Reduction	Yes	N/A	Yes	Metric 2_Section 4	No	N/A	N/A
Reportable Fire Ignitions	Yes	N/A	Yes	Metric 2_Section 4	Yes	Appendix A Nos. 3.13 and 3.15, Appendix B No. 4	N/A
Distribution Inspection Quality Verification Pass Rate	No	N/A	No	N/A	No	N/A	N/A
Transmission Inspection Quality	No	N/A	No	N/A	No	N/A	N/A

Executive Compensation Structure Submission STIP Measure/Metric	WMP Related Yes/ No	WMP Related Initiative Number	Similar to SPM Yes/ No	Similar to SPM SPM Number	Similar to SOM Yes/ No	Similar to SOM SOM Number	Description of Computational/Definitional Differences
Verification Pass Rate							
Enhanced Vegetation Management Quality Verification Pass Rate	Yes	7.3.5.13	No	N/A	No	N/A	N/A
Routine Vegetation Management Quality Verification Pass Rate	Yes	7.3.5.13	No	N/A	No	N/A	N/A
Core Commitment Completion	Yes	D.01 D.02 D.03 D.04 D.06 D.07 D.08 C.01 C.02	No	N/A	No	N/A	N/A
CEMI 5 + CEMI 10	No	N/A	No	N/A	No	N/A	N/A
Non-GAAP Core EPS	No	N/A	No	N/A	No	N/A	N/A

**2023 STIP**

**Instructions:** For each metric included in the 2023 STIP, indicate whether the metric is tied to the electrical corporation’s WMP (and the associated initiative number) and whether it is similar in nature to SOM and/or SPM metrics (and the associated SOM and/or SPM number). For metrics similar in nature to a SOM, explain any differences between the electrical

corporation’s calculation of that metric and the required SOM method of calculation of that metric.

**TABLE 3H.2  
2023 STIP – TIES TO WMP, SPMS, AND SOMS**

Executive Compensation Structure Submission STIP Measure/Metric	Related to WMP Yes/ No	Related to WMP Initiative Number	Similar to SPM Yes/ No	Similar to SPM SPM Number	Similar to SOM Yes/ No	Similar to SOM SOM Number	Description of Computational/ Definitional Differences
Non-Fatal SIF Rate	No	N/A	No	N/A	Yes	Appendix A Nos. 1.1 and 1.2 <sup>13</sup>	SOM includes fatality counts and are split by employee and contractor; additionally for SOM, PG&E uses the Edison Electric Institute Operational Safety & Health Committee (“EEI OS&HC”) serious injury criteria which define a serious injury using 14 specific injury criteria as compared to PG&E’s internal definition of life threatening/life altering injury.
Gas Emergency Response	No	No	Yes	11	Yes	Appendix A No. 4.3, Appendix B No. 11	STIP measures average response time for

<sup>13</sup> The CPUC-approved SOMS, as applicable to PG&E, are listed in Appendices A and B to the Decision Addressing Phase I, Track 1 and 2 Issues, D.21-11-009, in *Order Instituting Rulemaking to Further Develop a Risk-Based Decision-Making Framework for Electric and Gas Utilities*, R.20-07-013.

Executive Compensation Structure Submission STIP Measure/Metric	Related to WMP Yes/ No	Related to WMP Initiative Number	Similar to SPM Yes/ No	Similar to SPM SPM Number	Similar to SOM Yes/ No	Similar to SOM SOM Number	Description of Computational/ Definitional Differences
							immediate response orders.  SOM/SPM measures average & median time to respond to gas emergency notification
Electric 911 Emergency Response	No	N/A	Yes	03	Yes	Appendix A No. 3.12, Appendix B No. 3	SOM/SPM measures average & median Electric 911 response time.  STIP measures % PG&E responds on-site within 60 minutes.
Total Gas Dig-In Rate	No	No	Yes	05	Yes	Appendix A No. 4.1, Appendix B No. 5	STIP measures all dig-ins per PG&E tickets received from all parties (i.e., 1st, 2nd and 3rd parties).  SOM measures all dig-ins per 3rd party tickets only.  SPM measures 3rd party dig-ins per PG&E tickets received from all

Executive Compensation Structure Submission STIP Measure/Metric	Related to WMP Yes/ No	Related to WMP Initiative Number	Similar to SPM Yes/ No	Similar to SPM SPM Number	Similar to SOM Yes/ No	Similar to SOM SOM Number	Description of Computational/ Definitional Differences
							parties (i.e., 1st, 2nd and 3rd parties).
Preventable Motor Vehicle Incidents (PMVI)	No	N/A	No	N/A	No	N/A	N/A
DCCP Reliability and Safety Indicator	No	N/A	No	N/A	No	N/A	N/A
Safe Dam Operating Capacity (SDOC)	No	N/A	No	N/A	No	N/A	N/A
Wildfire Risk Reduction	Yes	N/A	Yes	Metric 2_Section 4	Yes	Appendix A Nos. 3.13 -3.16	Reportable Fire Ignitions that meet consequence threshold described in STIP metric description
Reportable Fire Ignitions	Yes	N/A	Yes	Metric 2_Section 4	Yes	Appendix A Nos. 3.13 and 3.15, Appendix B No. 4	N/A
Quality Pass Rate	Yes	GM-01 and VM-08	No	N/A	No	N/A	GM-01 is an audit volume commitment of System Inspection Distribution and Transmission. A Quality Pass Rate is included in the STIP metric for this activity.

Executive Compensation Structure Submission STIP Measure/Metric	Related to WMP Yes/ No	Related to WMP Initiative Number	Similar to SPM Yes/ No	Similar to SPM SPM Number	Similar to SOM Yes/ No	Similar to SOM SOM Number	Description of Computational/ Definitional Differences
							VM-08 is a QA quality level and audit volume commitment against VM Distribution, VM Transmission, and Vegetation Control (VC) programs. VM Distribution is the only activity included in the STIP metric, and the pass rates are not the same.
CEMI-5 + CEMI-10	No	N/A	No	N/A	No	N/A	N/A
Operating Cash Flow	No	N/A	No	N/A	No	N/A	N/A
Non-GAAP Core EPS	No	N/A	No	N/A	No	N/A	N/A

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

**Instructions:** The LTIP includes all performance-based compensation awarded on a performance term of three or more years. If the electrical corporation uses more than one long-term incentive mechanism, repeat this information for each mechanism (e.g., three-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 Table 4a.1 as necessary.

**TABLE 4A.1  
2022 AND 2023 LTIP GRANTS**

EVP and Chief Customer Officer Marlene Santos		
LTI Type	2022 Performance Year	2023 Performance Year
	Grant Date Fair Value as a % of TIC	Target Value as a % of TIC
Stock Grant	N/A	N/A
Stock Option	N/A	N/A
Restricted Stock Unit (RSU)	N/A	N/A
Performance Share Unit (PSU)/ Performance Restricted Stock Unit (PRSU)		
Cash Performance Payment	N/A	N/A
Other	N/A	N/A

Executive Vice President, Operations and Chief Operating Officer Sumeet Singh		
LTI Type	2022 Performance Year	2023 Performance Year
	Grant Date Fair Value as a % of TIC	Target Value as a % of TIC
Stock Grant	N/A	N/A
Stock Option	N/A	N/A
Restricted Stock Unit (RSU)	N/A	N/A
Performance Share Unit (PSU)/ Performance Restricted Stock Unit (PRSU)		
Cash Performance Payment	N/A	N/A
Other	N/A	N/A

EVP, Engineering, Planning & Strategy Jason Glickman		
LTI Type	2022 Performance Year	2023 Performance Year
	Grant Date Fair Value as a % of TIC	Target Value as a % of TIC
Stock Grant	N/A	N/A
Stock Option	N/A	N/A
Restricted Stock Unit (RSU)	N/A	N/A
Performance Share Unit (PSU)/ Performance Restricted Stock Unit (PRSU)		
Cash Performance Payment	N/A	N/A
Other	N/A	N/A

EVP, People, Shared Services & Supply Chain Julius Cox		
LTI Type	2022 Performance Year	2023 Performance Year
	Grant Date Fair Value as a % of TIC	Target Value as a % of TIC
Stock Grant	N/A	N/A
Stock Option	N/A	N/A
Restricted Stock Unit (RSU)	N/A	N/A

EVP, People, Shared Services & Supply Chain Julius Cox		
LTI Type	2022 Performance Year	2023 Performance Year
	Grant Date Fair Value as a % of TIC	Target Value as a % of TIC
Performance Share Unit (PSU)/ Performance Restricted Stock Unit (PRSU)		
Cash Performance Payment	N/A	N/A
Other	N/A	N/A

VP, Controller, Utility Chief Financial Officer Stephanie Williams <sup>14</sup>		
LTI Type	2022 Performance Year	2023 Performance Year
	Grant Date Fair Value as a % of TIC	Target Value as a % of TIC
Stock Grant	N/A	N/A
Stock Option	N/A	N/A
Restricted Stock Unit (RSU)	N/A	N/A
Performance Share Unit (PSU)/ Performance Restricted Stock Unit (PRSU)	N/A	
Cash Performance Payment	N/A	N/A
Other	N/A	N/A

If “Other” LTIP Type indicated, provide explanation:

N/A

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

Yes:  No:

Describe/Explain:

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<sup>14</sup> Stephanie Williams did not hold an executive officer position in 2022, and therefore, no information is provided for that year.

N/A

ii) **Were the 2022 LTIP payouts determined based on a performance range (i.e., below minimum/threshold, minimum/threshold, target, maximum)?** Check one:<sup>15</sup>

Yes:  No

iii) **Did the electrical corporation use one range for all 2022 LTIP metrics or differing ranges based on the category of metric)?** Check one:

One range for all metrics:  Multiple ranges:

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

**TABLE 4A.2  
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):

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<sup>15</sup> PG&E interprets this question to pertain to LTIP performance share awards granted in 2022 that will potentially be payable in 2025, following completion of a 3-year performance period spanning January 1, 2022 through December 31, 2024. PG&E does not understand this question to pertain to LTIP awards paid in 2022. PG&E did not pay LTIP awards in 2022.

The interpolation method used was straight line.

**v) Provide the 2023 LTIP metric performance range(s):**

**TABLE 4A.3  
2023 LTIP METRIC PERFORMANCE RANGE(S)**

	Below Minimum	Minimum	Target	Maximum
System Hardening Effectiveness (% of Miles in Highest Risk Areas)	0%	50%	100%	200%
Electric Corrective Maintenance in HFRA	0%	50%	100%	200%
SAIDI	0%	50%	100%	200%
Relative TSR	0%	50%	100%	200%

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

The interpolation method used is straight line.

**vi) Use of Any Performance Triggers**

Does the electrical corporation's 2023 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," describe any performance triggers:

N/A

**vii) Use of Any Automatic, Non-Discretionary Deductions**

Does the electrical corporation's 2023 LTIP have any automatic, non-discretionary deductions (e.g., failure to achieve WMP targets results in X% reduction, catastrophic wildfire results in zeroing out all safety metrics)? Check one:

Yes:  No:

If “Yes,” describe all automatic, non-discretionary deductions:

N/A

**viii) Use of Any Specifically Defined Discretionary Deductions**

Does the electrical corporation’s 2023 LTIP have any defined deductions (e.g., foundational goal(s)) that are part of the compensation structure? Check one:

Yes:  No:

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

N/A

## Section 4b: LTIP General Eligibility

**Instructions:** Provide a general description of the executive officers eligible for the electrical corporation’s LTIP. Add additional rows 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: 190% - 300%
VP: 85% - 120%

## 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  
2022 LTIP MEASURES, WEIGHTING AND AWARD BASIS**

<b>All Executive Officers</b>		
<b>LTI Type</b>	<b>2022 Weight</b>	<b>2022 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>• 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	
Weighting Total:	100%	

**Table 4c.2  
2023 LTIP Measures, Weighting and Award Basis**

<b>All Executive Officers</b>		
<b>LTI Type</b>	<b>2023 Weight</b>	<b>2023 Performance Year LTIP Award Basis<sup>16</sup></b>
Electrical Corporation Actuals		
Stock Grant		
Stock Option		
RSU		
PSU/ PRSU	100%	<ul style="list-style-type: none"> <li>• 40% Public Safety, equally weighted between System Hardening Effectiveness (Percent of Miles in Highest Risk Areas) and Electric Corrective Maintenance in HFRA</li> <li>• 25% Customer Experience as SAIDI</li> <li>• 35% Financial as Relative TSR</li> </ul>
Cash		
Other		
<b>Weighting Total:</b>	<b>100%</b>	

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<sup>16</sup> PG&E is unsure what is meant by “2023 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 2023 LTIP program design.

## Section 4d: 2023 LTIP Measures, Definitions and Calculations

**Instructions:** Provide detailed definitions and calculations for the 2023 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  
2023 LTIP MEASURES**

Measure/Metric	Detailed Definition	Calculation Methodology	Any Adjustment/ Exclusions	Weight	Min.	Target	Max.
System Hardening Effectiveness (Percent of Miles in Highest Risk Areas)	Percentage of circuit miles completed under System Hardening (SH) program within high-fire risk areas (HRA) to reduce wildfire risk through either (1) undergrounding, (2) rebuild of overhead circuitry to current hardening design standards, or (3) removal of overhead circuitry (line removal), including enablement for remote grid. This work is performed in HFTD Tiers 2/3 and HFRA Tier 1.	Condition 1: High Risk Circuit miles completed under System Hardening (SH) program within high-fire risk areas (HRA) divided by the number of circuit miles required by the Wildfire Mitigation Plan	<ul style="list-style-type: none"> <li>Projects completed prior to 01/01/2023 or after 12/31/2025</li> <li>System Hardening work performed outside of HFTD / HFRA unless the work is in support of a fire rebuild</li> <li>Previously hardened miles</li> </ul>	20%	80%	84%	88%

Measure/Metric	Detailed Definition	Calculation Methodology	Any Adjustment/ Exclusions	Weight	Min.	Target	Max.
	<p>Condition 1: 80% of system hardening miles must be high-risk miles over the three-year reporting period. High risk areas are defined as (i) top 20%<sup>17</sup> of approved risk model buydown curve; (ii) fire rebuild miles; (iii) PSPS mitigation miles; and (iv) Public Safety Specialist (PSS) identified miles.</p> <p>Additionally, the following condition must be met or LTIP score for this metric will be 0:</p> <p>Condition 2: 100% of the System Hardening miles target for 2023-2025, as filed</p>	<p>Condition 2: Circuit miles completed under System Hardening (SH) program within high-fire risk areas (HRA) divided by the number of circuit miles required by the Wildfire Mitigation Plan</p>					

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<sup>17</sup> Basis of the top 20% correlates to ~70% of the risk on the risk buydown curve.

Measure/Metric	Detailed Definition	Calculation Methodology	Any Adjustment/ Exclusions	Weight	Min.	Target	Max.
	in the Wildfire Mitigation Plan (WMP), must be met.						
Electric Corrective Maintenance in HFRA	As 99 percent of the wildfire risk occurs in HFTD and HFRA areas, this metric is focused on reducing the backlog of tags within these areas (specifically, tags that create wildfire risk). All outstanding tags have been grouped and separated into categories of Ignition Risk and Non-Ignition Risk in order to focus on tag remediations that will produce the greatest wildfire risk reduction. As stated in the WMP revision notice 05, PG&E will reduce wildfire risk associated with the distribution ignition risk backlog of tags by 48 percent by the end of 2023. Wildfire risk targets for all years align with PGE WMP commitments and are	The percentage of risk reduced from the backlog of HFTD/HFRA ignition tags (Pole & non-Pole).	<ul style="list-style-type: none"> <li>Count of Tags completed</li> <li>Non-HFTD Electric Correctives</li> <li>Transmission Units</li> <li>Tags created in 2023 or later</li> </ul>	20%	40%	48%	56%

Measure/Metric	Detailed Definition	Calculation Methodology	Any Adjustment/ Exclusions	Weight	Min.	Target	Max.
	subject to change if the underlying WMP commitments change.						
SAIDI	System Average Interruption Duration Index (SAIDI) is an overall measure of system reliability that measures the number of minutes associated with both unplanned and planned sustained outages (including transformer-only outages) that the average customer experiences in a year. This metric measures all T&D outages with the exceptions noted herein.	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.	Exclusions consist of: (a) 2.5 Beta major event days (MEDs) based on the Institute of Electrical and Electronics Engineers Standard 1366 (also referred to as the “2.5 Beta Method”), (b) Generation / ISO outages (rotating outages), (c) momentary outages, and (d) Secondary and service-level outages (not reported in the ILIS database)	25%	261.0	253.2	245.3
Relative TSR	The internal rate of return to a shareholder during the performance period, including price gains and dividends, relative to the TSR of comparator group companies.	TSR = Earnings Per Share growth + Price to Earnings multiple expansion + dividend yield.	N/A	35%	25 <sup>th</sup> percentile	50 <sup>th</sup> percentile	90 <sup>th</sup> percentile

## Section 4e: Historical LTIP Data

**Instructions:** Provide historical performance data (five years) for 2023 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**

Metric/Measure	2018	2019	2020	2021	2022
System Hardening Effectiveness (Percent of Miles in High Risk Areas)	N/A	N/A	N/A	N/A	N/A
Electric Corrective Maintenance in HFRA	N/A	N/A	N/A	N/A	N/A
SAIDI	126.3	148.8	153.2	218.7 (actual) 396.5 (re-baselined to account for EPSS impacts)	261.0
Relative TSR <sup>18</sup>	12th percentile	0 percentile	100th percentile	4th percentile	100th percentile

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<sup>18</sup> Historical Annual Relative TSR data for the years 2020 to 2022 is based on Meridian TSR Performance Report, dated January 6, 2023.

Notes/Context:

1. System Hardening Effectiveness in its current form is first being used in 2023. The System Hardening Effectiveness metric methodology was revised in 2023 to measure percent completion of system hardening miles included in the wildfire mitigation plan to ensure alignment with any relevant changes. Comparable data for prior years is therefore not available.
2. Electric Corrective Maintenance in HFRA is a new LTIP metric for 2023. Data for historical years is therefore not available.

## Section 4f: 2022 LTIP Adjustments

**Instructions:** Provide a detailed explanation of any increases and decreases in 2022 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>19</sup>**

N/A

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

N/A

**iii) Any additional deductions made by the Compensation Committee or executive management:**

None

**iv) Any upward adjustments:**

None

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<sup>19</sup> No annual LTIP awards vesting during 2022. PG&E offers performance share units that vest in the first quarter after a three-year performance period. During 2019, PG&E was in Chapter 11 and therefore did not grant any annual LTIP awards.

## Section 4g: LTIP Prior Year Actuals

**Instructions:** For any prior year LTIP programs that vested in 2022, provide details of projected and actual payouts/performance.

**TABLE 4G.1  
LTIP PROGRAM VESTING IN 2022<sup>20</sup>**

LTIP Program Name	Performance Measure	Projected % of TIC at Time of Grant	Actual % of TIC at Vesting Date
N/A	N/A	N/A	N/A

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<sup>20</sup> No annual LTIP awards vesting during 2022. PG&E offers performance share units that vest in the first quarter after a three-year performance period. During 2019, PG&E was in Chapter 11 and therefore did not grant any annual LTIP awards.

## Section 5: Fixed versus Incentive Compensation

**Instructions:** In Table 5.1, for each executive officer with a new or amended contract, 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 2023 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<sup>21, 22</sup>**  
**FIXED VERSUS INCENTIVE COMPENSATION AT THE TARGET LEVEL<sup>23</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 <sup>24</sup>
EVP and Chief Customer Officer, Marlene Santos				
EVP, Operations and Chief Operating Officer, Sumeet Singh				

<sup>21</sup> PG&E generally does not have written employment contracts with its executive officers. PG&E nevertheless provides the information in Table 5.1 and other sections of this submission for all of its executive officers, regardless of whether they can be considered to have new or amended contracts.

<sup>22</sup> Updated table 5.1 in R1 submission on March 27, 2023.

<sup>23</sup> Numbers in this table are rounded and may not add to 100%.

<sup>24</sup> PG&E interprets Indirect and Ancillary Compensation to exclude SERP and other non-qualified retirement benefits and reflects the individual’s recorded service cost for the qualified pension.

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 <sup>24</sup>
EVP, Engineering, Planning & Strategy, Jason Glickman				
EVP, People, Shared Svcs, & Supply Chain, Julius Cox				
VP, Controller, Utility CFO, Stephanie Williams				

## Section 6: Indirect or Ancillary Compensation

### Section 6a: Indirect and Ancillary Compensation (not including Supplemental Executive Retirement Plans (SERPs))

**Instructions:** List all indirect and ancillary compensation (excluding SERP) provided to executive officers with new or amended contracts. See **Attachment 2** for the definition of and a list of typical indirect or ancillary compensation. If the electrical corporation provides indirect or ancillary compensation, 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<sup>25</sup>**  
**INDIRECT OR ANCILLARY COMPENSATION EXAMPLE (EXCLUDING SERP)**

Title	Indirect or Ancillary Compensation Element	Eligibility Requirements	Frequency (One-Time, Annual, Other)	Current Estimated Proportion of TC
<b>Electrical Corporation Actual Data</b>				
Executive Vice President, Operations and Chief Operating Officer	Qualified Pension Service Cost <sup>26</sup>	All Executive Officers	Annual	
EVP, People, Shared Svcs, & Supply Chain	Security Services	As needed	One-time installation cost	
EVP, People, Shared Svcs, & Supply Chain	Relocation	As needed	One-time	
EVP and Chief Customer Officer	Executive Health	All Executive Officers	Annual	
VP, Controller, Utility CFO	Qualified Pension Service Cost	All Executive Officers	Annual	

## **Section 6b: Supplemental Executive Retirement Plans (SERPs)**

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

### **i) Availability of Supplemental Retirement Plans**

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

Yes:  No:

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

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<sup>25</sup> Updated table 6.1 in R1 submission on March 27, 2023.

<sup>26</sup> The value corresponds to the individual's 2022 recorded service cost.

- There are three supplemental retirement plans non-Executive Officers are eligible for: the Supplemental Retirement Savings Plans (“SRSP”), the Supplemental Executive Retirement Plan (“SERP”),<sup>27</sup> and the Defined Contribution Executive Supplemental Retirement Plan (“DC-ESRP”).
- Eligibility for the SERP and DC-ESRP is based on job level. Employees who hold an officer position are eligible.
- Eligibility for the SRSP is based on job level. Employees who hold a job at the following levels are eligible: Officers, Senior Directors, Directors, and Chiefs (including certain attorneys), or other key employees determined by the Plan Administrator.

## ii) Structure of Supplemental Retirement Plans

If supplemental retirement plans are available, describe:

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

### SRSP:

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

### SERP:

- Eligibility: Officers of the company, hired or became an officer prior to 2013.
- Award Basis: The SERP provides benefits to covered employees generally based on the same benefit formula as the tax-qualified pension plan. The SERP benefit includes payments made based on STIP metric performance. SERP benefits are reduced by amounts paid from the tax-qualified pension.
- Type of Payment: Cash.

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<sup>27</sup> The SERP was frozen since 2012 and there have been no new participants since that time.

- 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.

**iii) Supplemental Retirement Plan Benefits**

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

**TABLE 6.2<sup>28</sup>  
SERP EXAMPLE**

Title	Number of Years Credited Service	Present Value of Accumulated Benefit – 2022 as a % of TDC <sup>29</sup>	Cash Balance Account Lump Sum Value – 2022 as a % of TDC <sup>30</sup>
EVP and Chief Customer Officer/Customer Service			
EVP, Chief Risk Officer & Chief Safety Officer/Risk & Safety			

<sup>28</sup> Updated table 6.2 in R1 submission on March 27, 2023.

<sup>29</sup> PG&E interprets this to be the present value of 2022 pension value benefit as a percentage of 2022 Target TDC, similar to data disclosed in PG&E's 2022 Proxy.

<sup>30</sup> PG&E interprets this to be the value earned by the applicable officer during 2022.

Title	Number of Years Credited Service	Present Value of Accumulated Benefit – 2022 as a % of TDC <sup>29</sup>	Cash Balance Account Lump Sum Value – 2022 as a % of TDC <sup>30</sup>
EVP, Engineering, Planning & Strategy/Engineering, Planning & Strategies			
EVP, Operations & Chief Operating Officer (COO)/Operations			
EVP, People, Shared Services & Supply Chain/People, Shared Services & Supply Chain			
VP, Controller, Utility Chief Financial Officer (CFO)/Finance			

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

**Instructions:** The LTIP includes all performance-based compensation awarded on a performance term of three or more years. If the electrical corporation uses more than one long-term incentive mechanism, repeat this information for each mechanism (e.g., Three-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 contract 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 Table 7a.1 as necessary.

**TABLE 7A.1  
2022 AND 2023 LTIP GRANTS**

EVP and Chief Customer Officer, Marlene Santos						
LTIP Type	2022 PY Grant Date (1)	2022 PY Vesting Schedule	2022 PY Grant Date Fair Value as a % of TC	2023 PY Anticipated Grant Date	2023 PY Vesting Schedule	2023 PY Target Value as a % of TC
Stock Grant	N/A	N/A	N/A	N/A	N/A	N/A
Stock Option	N/A	N/A	N/A	N/A	N/A	N/A
Restricted Stock Unit (RSU)	N/A	N/A	N/A	N/A	N/A	N/A
Performance Share Unit (PSU)/ Performance Restricted Stock Unit (PRSU)	03/01/2022	100% after 3 years		3/1/2023	100% after 3 years	
Cash Performance Payment	N/A	N/A	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A	N/A	N/A

Executive Vice President, Operations and Chief Operating Officer, Sumeet Singh						
LTIP Type	2022 PY Grant Date (1)	2022 PY Vesting Schedule	2022 PY Grant Date Fair Value as	2023 PY Anticipated Grant Date	2023 PY Vesting Schedule	2023 PY Target Value as a % of TC

			a % of TC			
Stock Grant	N/A	N/A	N/A	N/A	N/A	N/A
Stock Option	N/A	N/A	N/A	N/A	N/A	N/A
Restricted Stock Unit (RSU)	N/A	N/A	N/A	N/A	N/A	N/A
Performance Share Unit (PSU)/ Performance Restricted Stock Unit (PRSU)	03/01/2022	100% after 3 years		3/1/2023	100% after 3 years	
Cash Performance Payment	N/A	N/A	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A	N/A	N/A

EVP, Engineering, Planning & Strategy, Jason Glickman						
LTIP Type	2022 PY Grant Date (1)	2022 PY Vesting Schedule	2022 PY Grant Date Fair Value as a % of TC	2023 PY Anticipated Grant Date	2023 PY Vesting Schedule	2023 PY Target Value as a % of TC
Stock Grant	N/A	N/A	N/A	N/A	N/A	N/A
Stock Option	N/A	N/A	N/A	N/A	N/A	N/A
Restricted Stock Unit (RSU)	N/A	N/A	N/A	N/A	N/A	N/A
Performance Share Unit (PSU)/ Performance Restricted Stock Unit (PRSU)	03/01/2022	100% after 3 years		3/1/2023	100% after 3 years	
Cash Performance Payment	N/A	N/A	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A	N/A	N/A

EVP, People, Shared Svcs, & Supply Chain, Julius Cox						
LTIP Type	2022 PY Grant Date (1)	2022 PY Vesting Schedule	2022 PY Grant Date Fair Value as a % of TC	2023 PY Anticipated Grant Date	2023 PY Vesting Schedule	2023 PY Target Value as a % of TC
Stock Grant	N/A	N/A	N/A	N/A	N/A	N/A
Stock Option	N/A	N/A	N/A	N/A	N/A	N/A
Restricted Stock Unit (RSU)	N/A	N/A	N/A	N/A	N/A	N/A
Performance Share Unit (PSU)/ Performance Restricted Stock Unit (PRSU)	03/01/2022	100% after 3 years		3/1/2023	100% after 3 years	
Cash Performance Payment	N/A	N/A	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A	N/A	N/A

VP, Controller, Utility CFO, Stephanie Williams						
LTIP Type	2022 PY Grant Date (1)	2022 PY Vesting Schedule	2022 PY Grant Date Fair Value	2023 PY Anticipated Grant Date	2023 PY Vesting Schedule	2023 PY Target Value as a % of TC

			as a % of TC			
Stock Grant	N/A	N/A	N/A	N/A	N/A	N/A
Stock Option	N/A	N/A	N/A	N/A	N/A	N/A
Restricted Stock Unit (RSU)	N/A	N/A	N/A	N/A	N/A	N/A
Performance Share Unit (PSU)/ Performance Restricted Stock Unit (PRSU)	03/01/2022	100% after 3 years		3/1/2023	100% after 3 years	
Cash Performance Payment	N/A	N/A	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A	N/A	N/A

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

N/A

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

Yes:  No:

If Yes, describe and explain what LTIP compensation is not at risk:

N/A

**ii) Were the 2022 LTIP payouts determined based on a performance range (i.e., below minimum/threshold, minimum/threshold, target, maximum)? Check one:<sup>31</sup>**

Yes:  No:

**iii) Did the electrical corporation use one range for all 2022 LTIP metrics or differing ranges based on the category of metric)? Check one:**

One range for all metrics:  Multiple ranges:

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

**TABLE 7A.2  
2022 LTIP PERFORMANCE RANGE(S)**

	Below Minimum	Minimum	Target	Maximum
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%

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<sup>31</sup> PG&E interprets this question to pertain to LTIP performance share awards granted in 2022 that will potentially be payable in 2025, following completion of a 3-year performance period spanning January 1, 2022 through December 31, 2024. PG&E does not understand this question to pertain to LTIP awards paid in 2022. PG&E did not pay LTIP awards in 2022.

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

The interpolation method used was straight line.

v) Provide the 2023 LTIP metric range(s):

**TABLE 7A.3  
2023 LTIP PERFORMANCE RANGE(S)**

	Below Minimum	Minimum	Target	Maximum
System Hardening Effectiveness (% of Miles in Highest Risk Areas)	0%	50%	100%	200%
Electric Corrective Maintenance in HFRA	0%	50%	100%	200%
SAIDI	0%	50%	100%	200%
Relative TSR	0%	50%	100%	200%

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

The interpolation method used is straight line.

**vi) Use of Any Performance Triggers**

Does the electrical corporation’s 2023 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,” describe any performance triggers:

N/A

**vii) Use of Any Automatic, Non-Discretionary Deductions**

Does the electrical corporation’s 2023 LTIP have any automatic, non-discretionary deductions (e.g., failure to achieve WMP targets results in X% reduction, catastrophic wildfire results in zeroing out all safety metrics)? Check one:

Yes:  No:

If “Yes,” describe all automatic, non-discretionary deductions:

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  
2022 LTIP MEASURES VESTING**

All Executive Officers	
LTIP Type	Vesting Period and Type
Stock Grant	N/A
Stock Option	N/A
RSU	N/A
PSU/PRSU	3-year vesting; PSUs normally vest on the third anniversary of the grant date, subject to People and Compensation Committee certification
Cash	N/A
Other	N/A
Weighting Total:	100%

**TABLE 7C.2  
2023 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 normally vest on the third anniversary of the grant date, subject to People and Compensation Committee certification
Cash	N/A
Other	N/A
Weighting Total:	100%

## Section 8: ACR 9 Executive Compensation Proposal Alignment

**Instructions:** PG&E must demonstrate how it complies with the additional requirements set forth in ACR 9. Other electrical corporations may indicate areas where its executive compensation structure is aligned with the elements of ACR 9. For each element of ACR 9, indicate whether the electrical corporation’s executive compensation structure is consistent with ACR 9 and explain how.

1. Publicly disclosed compensation arrangements for executives.

**Public Disclosure:** D.20-05-053 requires “[p]ublicly disclosed compensation arrangements for executives.<sup>32</sup> PG&E complies with this requirement in numerous ways:

- On June 25, 2020, PG&E’s Board of Directors adopted a Policy Statement providing in part: “It is the policy of this Board that compensation provided to executive officers (as defined in Public Utilities Code §§ 451.5 and 8389(e))...shall comply with the following: ...Compensation arrangement for executives must be publicly disclosed.”<sup>33</sup>
- PG&E annually provides detailed disclosures regarding executive compensation in PG&E’s and PG&E Corporation’s joint proxy statements.<sup>34</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 annual submission on Energy Safety’s website....”<sup>35</sup>

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<sup>32</sup> D.20-05-053 at 88.

<sup>33</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>34</sup> See, e.g., PG&E Corporation and PG&E 2021 Joint Proxy Statement at 37-87 (Apr. 8, 2021).

<sup>35</sup> Office of Energy Infrastructure Safety, Executive Compensation Structure Submission Guidelines, at 9 (Feb. 14, 2022).

**Written Compensation Agreements:** D.20-05-053 requires “[w]ritten compensation agreements for executives.”<sup>36</sup> As PG&E stated in the POR OII,<sup>37</sup> PG&E understands this requirement to connote the written shareholder-approved 2021 Long-Term Incentive Plan (“LTIP”) (under which equity-based long-term incentive compensation is provided to PG&E executive officers), written award contracts for awards provided under the LTIP (which are used for PG&E executive officers), and public disclosure of the terms, features, and results of PG&E’s compensation programs (which are provided as set forth above). Additionally, on January 19, 2022, the People and Compensation Committee of the PG&E Corporation Board of Directors adopted the PG&E Corporation Short-Term Incentive Plan (the “STIP”), under which officers and employees of PG&E and PG&E Corporation and their subsidiaries are eligible to receive incentive-based cash compensation based on selected metrics that are designed to align their interests with those of PG&E and PG&E Corporation. PG&E generally does not have written employment contracts with its executive officers more broadly, and stated without objection in the POR OII that it does not support a requirement of using such contracts.<sup>38</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>39</sup>

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

**Guaranteed Cash Compensation Within Industry Norms:** D.20-05-053 requires that “[g]uaranteed cash compensation as a percentage of total compensation . . . not exceed industry norms.”<sup>40</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>41</sup>

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

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<sup>36</sup> D.20-05-053 at 88.

<sup>37</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.

<sup>38</sup> See *id.*

<sup>39</sup> June 25, 2020 Policy Statement.

<sup>40</sup> D.20-05-053 at 88.

<sup>41</sup> June 25, 2020 Policy Statement.

**Deferral of Equity Awards:** D.20-05-053 requires “[h]olding or deferring the majority or super-majority of incentive compensation, in the form of equity awards, for at least 3 years.” As noted in PG&E’s submission, long-term incentive compensation for PG&E’s executive officers for 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>42</sup>

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

**Safety Metrics:** D.20-05-053 requires “[b]asing a significant component of long-term incentive compensation on safety performance, as measured by a relevant subset of by [sic] the Safety and Operational Metrics to be developed, as well as customer satisfaction, engagement, and welfare.”<sup>43</sup> The Decision provides that “[t]he remaining portion may be based on financial performance or other considerations.”<sup>44</sup>

PG&E’s 2023 executive compensation structure complies with these requirements. As shown herein, PG&E’s STIP design for 2023 uses metrics that are weighted 70% to safety, and PG&E’s LTIP program design for 2023 uses metrics that are weighted 40% to safety.

Further, PG&E’s STIP design for 2023 is weighted an additional 5%, and the LTIP program design for 2023 is weighted an additional 25%, to customer satisfaction, engagement, and welfare.

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<sup>42</sup> June 25, 2020 Policy Statement.

<sup>43</sup> D.20-05-053 at 88.

<sup>44</sup> *Id.*

The STIP and LTIP program designs for 2023 include numerous metrics that are identical or similar to Safety and Operational Metrics (“SOMS”) approved by the Commission on November 9, 2021.<sup>45</sup> For example:

- The Reportable Fire Ignitions metric (STIP) finds analogues in the following SOMS: (i) Number of CPUC-Reportable Ignitions in HFTD Areas (Distribution); (ii) Number of CPUC-Reportable Ignitions in HFTD Areas (Transmission); and (iii) Fire Ignitions.
- The Wildfire Risk Reduction metric (STIP) finds analogues in the following SOMS: (i) Number of CPUC-Reportable Ignitions in HFTD Areas (Distribution); (ii) Percentage of CPUC-Reportable Ignitions in HFTD Areas (Distribution); (iii) Number of CPUC-Reportable Ignitions in HFTD Areas (Transmission); and (iv) Percentage of CPUC-Reportable Ignitions in HFTD Areas (Transmission); and (v) Fire Ignitions.
- The Total Gas Dig-In Rate (a component of the Operate Safely Index metric in the STIP) finds analogues in the following SOMS: (i) Number of Gas Dig-Ins Per 1000 USA Tickets on Transmission and Distribution Pipelines; and (ii) Gas Dig-Ins.
- The Non-Fatal SIF Rate metric (STIP) finds analogues in the following SOMS: (i) Rate of SIF Actuals (Employee); and (ii) Rate of SIF Actuals (Contractor).
- Electric 911 Emergency Response metric (a component of the Respond to Emergencies Index metric in the STIP) finds an analogue in the following SOM: Electric Emergency Response Time.
- Gas Emergency Response (a component of Respond to Emergencies Index Metric in the STIP) finds an analogue in the following SOMS: (i) Time to Respond On-Site to Emergency Notification; and (ii) Gas Emergency Response Time.
- The System Average Interruption Duration Index metric (LTIP) finds an analogue in the following SOM: System Average Interruption Duration Index (Unplanned).

5. Annual review of awards by an independent consultant.

**Annual Review:** D.20-05-053 requires “[a]nnual review of awards by an independent consultant.”<sup>46</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.

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<sup>45</sup> See Decision Addressing Phase I, Track 1 and 2 Issues, D.21-11-009, in *Order Instituting Rulemaking to Further Develop a Risk-Based Decision-Making Framework for Electric and Gas Utilities*, R.20-07-013. The CPUC-approved SOMS, as applicable to PG&E, are listed in Appendices A and B to the Decision.

<sup>46</sup> D.20-05-053 at 88.

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

**Annual Reporting:** D.20-05-053 requires “[a]nnual reporting of awards to the CPUC through a Tier 1 advice letter compliance filing.”<sup>47</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>48</sup> PG&E filed the Tier 1 advice letter reporting on awards for 2022 on July 8, 2022.<sup>49</sup> PG&E intends to file a Tier 1 advice letter reporting on awards for 2023 later this year.

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

**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>50</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>51</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>52</sup>

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<sup>47</sup> *Id.*

<sup>48</sup> June 25, 2020 Policy Statement.

<sup>49</sup> See Advice Letter 4630-G/6642-E.

<sup>50</sup> D.20-05-053 at 88.

<sup>51</sup> *Id.* at 92.

<sup>52</sup> June 25, 2020 Policy Statement.

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

**Severance Policy:** D.20-05-053 provides: “Executive officer compensation policies will include provisions that allow for restrictions, limitations, and cancellations of severance payments in the event of any felony criminal conviction related to public health and safety or financial misconduct by the reorganized PG&E, for executive officers serving at the time of the underlying conduct that led to the conviction. Implementation of this policy should take into account PG&E’s need to attract and retain highly qualified executive officers.”<sup>53</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>54</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 executive officers engaged in misconduct that materially contributed to some of the actions or omissions on which the Company Conviction is based.<sup>55</sup>

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<sup>53</sup> D.20-05-053 at 89.

<sup>54</sup> See PG&E Corporation and PG&E Form 8-K (Sept. 22, 2020).

<sup>55</sup> See *id.*