



DRAFT EXECUTIVE COMPENSATION STRUCTURE GUIDELINES ATTACHMENTS

Version 2.0

May 2026

TABLE OF CONTENTS

Attachment 1: Required Information Templates	1
1.1 Incentive Compensation Components	2
1.2 Executive Officer Exclusion Rationale	5
1.3 Short-Term Incentive Program (STIP).....	7
1.3.1 STIP Structure	7
1.3.2 Previous Year STIP Metrics – Minimum, Target, Maximum and Actual.....	13
1.3.3 Current Year STIP Metrics – Minimum, Target, and Maximum.....	17
1.3.4 Current Year STIP Metric Definition and Calculation.....	19
1.3.5 STIP Changes.....	21
1.3.6 Historical STIP Data	21
1.3.7 Previous Year STIP Adjustments.....	22
1.3.8 Historical STIP Adjustments	22
1.3.9 Current Year STIP Metric Ties to Other Metrics.....	25
1.4 Long-Term Incentive Program (LTIP)	26
1.4.1 LTIP General Eligibility	26
1.4.2 Current Year LTIP Structure – Award Type, Weighting, Measures and Vesting Period	27
1.4.3 Current LTIP Measures, Definitions and Calculations	32
1.4.4 Performance Share Unit Metric Actual Performance	33
1.4.5 Historical LTIP Data.....	36
1.4.6 LTIP Adjustments for Performance Period Ending in Previous Year.....	38
1.4.7 Historical LTIP Adjustments	38
1.4.8 Actuals for LTIPs with a Performance Period Ending in the Previous Year or Vesting in the Previous Year.....	39
1.5 Catastrophic Wildfire History.....	41
1.6 Fixed versus Incentive Compensation	44
1.7 Indirect or Ancillary Compensation.....	46

1.7.1	Indirect and Ancillary Compensation (not including Supplemental Executive Retirement Plans (SERPs)).....	46
1.7.2	Supplemental Executive Retirement Plans (SERPs).....	48
1.8	ACR 9 Executive Compensation Proposal.....	49
1.8.1	ACR Executive Compensation Proposal Alignment.....	50
Attachment 2: Terms, Acronyms & Definitions.....		52
Attachment 3: Metric Categories and Subcategories		58

Attachment 1:

Required Information Templates

Instructions on Completing the Templates

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

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

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

Public Utilities Code Section 8389(a)(4):

1.1-1.5

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

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

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

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

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

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

1.1 Incentive Compensation Components

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

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

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

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

Table 1.1.1
Incentive Compensation at the Target Level

Executive Title/ Function and Name (where applicable)	Target Quarterly STIP as a Percent of TIC	Target Annual STIP as a Percent of TIC	Target Total STIP as a Percent of TIC	Target LTIP as a Percent of TIC
Example 1:				
[Company] President and CEO – Name		65%	65%	35%
[Company] Chief Operating Officer (COO) – Name		70%	70%	30%
[Company] Senior Vice President (SVP) – Name		70%	70%	30%
[Company] Chief Financial Officer (CFO) – Name		65%	65%	35%
[Company] General Counsel – Name		70%	70%	30%
Example 2:				
[Company] President and CEO – Name	35%	25%	60%	40%
[Company] Company CFO – Name	40%	30%	70%	30%

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

*Table 1.1.2
Total Direct Compensation at the Target Level*

Executive Title/ Function and Name (where applicable)	Target Base Salary as a Percent of TDC	Target Quarterly STIP as a Percent of TDC	Target Annual STIP as a Percent of TDC	Target LTIP as a Percent of TDC
Example 1:				
[Company] President and CEO – Name	25%		20%	55%
[Company] Chief Operating Officer (COO) – Name	35%		20%	45%
[Company] Senior Vice President (SVP) – Name	40%		25%	35%
[Company] Chief Financial Officer (CFO) – Name	45%		25%	30%
[Company] General Counsel – Name	35%		20%	45%
Example 2:				
[Company] President and CEO – Name	45%	10%	15%	30%

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

*Table 1.1.3
Target Incentive Compensation as a Percent of Base Salary*

Executive Title/ Function and Name (where applicable)	Target Quarterly STIP as a Percent of Base Salary	Target Annual STIP as a Percent of Base Salary	Target LTIP as a Percent of Base Salary
Example 1:			
[Company] President and CEO – Name			
[Company] Chief Operating Officer (COO) – Name			
[Company] Senior Vice President (SVP) – Name			
[Company] Chief Financial Officer (CFO) – Name			
[Company] General Counsel – Name			

1.2 Executive Officer Exclusion Rationale

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

Instructions: For the purpose of completing Table 1.2.1, the electrical corporation must include all the positions of the highest three tiers of the executives or officers of the electrical corporation that do not fit within the definition of “executive officers” as defined in Public Utilities Code section 451.5(c). For those positions, the electrical corporation must provide an

explanation regarding why the executives holding those positions are not considered “executive officers” as set forth in Public Utilities Code section 451.5(c).²

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

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

Executive Title / Role	Rationale
[Company] Executive Secretary, [Division or Unit]	[Company] has excluded the Secretary as this individual does not perform policy making functions and is not subject to approval of the board of directors.
[Company] Treasurer, [Division or Unit]	[Company] has excluded the Treasurer as this individual does not perform policy making functions and is not subject to approval of the board of directors.

² Public Utilities Code Section 451.5(C):
https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=451.5&lawCode=PUC,
(accessed March 27, 2026).

1. Definition of policy making:

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

1.3 Short-Term Incentive Program (STIP)

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

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

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

1.3.1 STIP Structure

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

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

Cash: Other:

If other, describe the other type of STIP payment:

2. Use of Any Performance Triggers

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

Yes: No:

If "Yes," describe any performance triggers:

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

3. Use of Any Automatic, Non-Discretionary Deductions

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

Yes: No:

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

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

4. Use of Any Specifically Defined Discretionary Deductions

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

Yes: No:

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

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

5. Use of a Performance Range – previous year

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

Yes: No:

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

One range for all metrics: Multiple ranges:

If multiple ranges are used, explain why:

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

*Table 1.3.1
Previous Year STIP Metric Performance Range(s)*

	Below Minimum	Minimum	Target	Maximum
Example:				
Reportable Fire Ignitions	0%	50%	100%	200%
Wires Down Events Due to Equipment Failure	0%	50%	100%	200%
All Other STIP Metrics	0%	25%	100%	150%

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

6. Use of a Performance Range – Current Year

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

Yes: No:

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

One range for all metrics: Multiple ranges:

If multiple ranges are used, explain why:

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

*Table 1.3.2
Current Year STIP Metric Performance Range(s)*

	Below Minimum	Minimum	Target	Maximum
Example:				
All STIP Metrics	0%	50%	100%	150%

c) Describe the interpolation method between categories:

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

Yes: No:

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

7. Use of Performance Modifiers – Previous Year Actual

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

Individual Performance Modifier – Previous Year, check one:

Yes: No:

If “Yes,” describe each performance modifiers:

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

*Table 1.3.3
Individual Performance Modifiers – Previous Year Actual*

Executive Title/ Function and Name (where applicable)	Increase/ Decrease	Percentage Change	Factors in/ Reason for Adjustment (1)
Example:			
[Company] President and CEO – Name	Increase	20% of individual’s target payout	Superior financial performance
[Company] Senior Vice President (SVP) – Name	Decrease	10% of individual’s target payout	Failure to achieve covered conductor installation WMP Targets
[Company] General Counsel – Name	None	None	
Electrical Corporation Actual Data			

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

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

Company Performance Modifier – Previous Year, check one:

Yes: No:

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

Board Discretion, check one:

Yes: No:

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

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

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

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

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Actual Performance	Weighted Contribution
Example:									
Wildfire Safety		Reportable Ignitions in High Fire Risk Areas	Leading/Lagging Outcome	15%	50	40	30	35	= 15 * 150% 22.5%
Wildfire Safety		Wildfire System Hardening	Leading/Lagging/Program Goal	10%	100	200	400	150	= 10 * 75% 7.5%
Subtotal				25%					30%
Workforce Safety	Workforce Safety	Employee DART Rate	Lagging Outcome	5%	0.3	1.5	2.5	2.5	=5* 150% 7.5%
Workforce Safety	Workforce Safety	Contractor SIF	Lagging Outcome	5%	5	3	1	7	= 5 * 0% 0%
Subtotal				10%					7.5%
Other Safety	Emergency Response	Electric 911 Emergency Response	Lagging	5%	97%	98%	99%	99.5%	= 5 * 150% 7.5%

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Actual Performance	Weighted Contribution
Other Safety	Public Safety- -Gas	Gas Damage Prevention	Lagging/ Outcome	5%	1.5	1.3	1.1	1.4	= 5 * 75% 3.75%
Subtotal				10%					18.75%
Security	Cyber- Security	Phishing Rate	Lagging Outcome	5%	72 %	75%	78%	70%	= 5 * 0% 0%
Subtotal				5%					0%
Customer Service	Satisfaction	Customer Satisfaction	Lagging Outcome	5%	70 %	80%	85%	86%	= 5 * 150% 7.5%
Subtotal				5%					7.5%
Reliability	Electric Reliability	SAIDI		5%	72	69	66	69	= 5 * 100% 5%
Subtotal				10%					12.5%
Environmental		Electrification Program Goals	Leading/ Lagging	5%	5	7	8	7	= 5 * 100% 5%
Subtotal				5%					5%
Other		Diverse Business Spend	Lagging Outcome	5%	20	25	30	20	= 5 * 50% 2.5%
Other		Complete System EXY Upgrade		5%	5	10	15	2	= 5 * 0% 0%
Subtotal				10%					2.5%
Financial	Earnings per Share (EPS)			15%	90	100	110	106	= 15 * 130% 19.5%

1.3.4 Current Year STIP Metric Definition and Calculation

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

Table 1.3.6
Current Year STIP – Metric Definitions and Calculation

Measure/Metric	Definition	Calculation Methodology	Any Adjustment/ Exclusions	Alignment with WMP Metrics
Example:				
PSPS Average Circuit Restoration Time (Hours)	Average hours for power restoration after each PSPS de-energization event.	<p>Measured at circuit level; time begins once Officer-in-Charge gives approval to begin restoration.</p> <p>If no PSPS occurs during the year, performance will be determined by completion of:</p> <ol style="list-style-type: none"> 1. Min – all certified EOC responders attend PSPS training, and all assigned patrollers attend PSPS training; 	N/A	<p>Indicate whether the metric aligns with WMP targets (Yes/No). Identify the related WMP metric(s), the source or baseline, and the specific approved WMP to which the targets align.</p> <p>If not included in the WMP, briefly justify its inclusion in STIP.</p>

		<ul style="list-style-type: none"> 2. Target - updated patrol plans for all PSPS circuit segments are completed; and 3. Max - three helicopters made available for aerial patrols during fire season. 		
Electrical Corporation Actual Data				

1.3.5 STIP Changes

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

1.3.6 Historical STIP Data

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

*Table 1.3.7
STIP Metric Historical Actual Performance*

Metric/Measure	Current Year - 5	Current Year - 4	Current Year - 3	Current Year - 2	Current Year - 1

Notes/Context:

1.3.7 Previous Year STIP Adjustments

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

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

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

3. Any deductions due to failure to meet “foundational goals”:

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

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

1.3.8 Historical STIP Adjustments

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

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

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

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

Year	STIP Deductions for Safety, Wildfire Resiliency, and Other metrics	Provide a summary breakdown showing how the total point deductions are allocated across each STIP metric
Example		
Current Year - 1	18-point deduction	SIF Rate (-8% below minimum threshold); CPUC reportable ignitions in HFRA (-6% above threshold); Covered Conductor miles installed (-4% below target)
Current Year - 2	25-point deduction	Employee fatality (-12% discretionary reduction); Employee SIF Rate (-7% below target); PSPS customer notifications (-6% below target)
Current Year - 3	12-point deduction	DART Rate (-5% below unmet level); SIF Rate (-4% below target level); Serious public injury from downed wire (-3% discretionary reduction)
Current Year - 4	5-point deduction	Wildfire Resiliency metric (-2% below target); Safety & Resiliency Capabilities (-2% below target); Contractor Management (-1% below target)
Current Year - 5	20-point deduction	Environmental non-compliance incident (-6% discretionary reduction); Contractor fatalities (-9% discretionary)

Year	STIP Deductions for Safety, Wildfire Resiliency, and Other metrics	Provide a summary breakdown showing how the total point deductions are allocated across each STIP metric
		reduction); Contractor serious injury rate (-5% below threshold)
Electrical Corporation Data		
Current Year		
Current Year - 1		
Current Year - 2		
Current Year - 3		
Current Year - 4		
Current Year - 5		

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

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

Year	Amount of any Discretionary Increase to Earned STIP Metric Value or Total STIP Award	Detailed Description/Explanation
Electrical Corporation Data		
Current Year - 1		
Current Year - 2		
Current Year - 3		
Current Year - 4		
Current Year - 5		

1.3.9 Current Year STIP Metric Ties to Other Metrics

Rationale: Understand how an electrical corporation’s Executive Compensation Structure metrics relate to its WMP, SPMs and SOMs. The CPUC requires PG&E, SCE, Southern California Gas Company (SoCalGas) and SDG&E (collectively the investor-owned utilities or IOUs) to annually report on safety performance metrics (SPMs) to measure achieved safety improvements.³ Additionally, the CPUC adopted Safety and Operational Metrics (SOMs) for PG&E⁴ to be used in accordance with the approved PG&E’s post-bankruptcy reorganization plan.⁵

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

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

Executive Compensation Structure Submission STIP Measure/Metric	Related to WMP	Related to WMP	Similar to SPM	Similar to SPM	Similar to SOM	Similar to SOM	Description of Computational/Definitional Differences
	Yes/No	Initiative Number	Yes/No	SPM Number	Yes/No	SOM Number	
Electrical Corporation Actual Data							

³ CPUC Decision 19-04-020: <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M288/K389/288389255.PDF>, (accessed March 27, 2026).

⁴ CPUC Decision 21-11-009 in eight separate files: <https://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=421107805>, (accessed March 27, 2026).

⁵ CPUC Decision 20-05-053: <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M338/K816/338816365.PDF>, (accessed March 27, 2026).

1.4 Long-Term Incentive Program (LTIP)

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

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

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

1.4.1 LTIP General Eligibility

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

Table 1.4.1
LTIP General Eligibility and Executive Officer Targets

Executive Title/Function	LTIP Target Percentage of Base Salary
Example:	
Program Eligibility:	
Employees and executive officers at the Director and higher level (Salary Band 3 and above) are eligible to participate in the LTIP program.	
Executive Officer LTIP Target:	
[Company] President and CEO – Name	230%
[Company] COO – Name	150%
[Company] CFO – Name	175%
[Company] EVP – Name	70%
[Company] General Counsel – Name	150%
Electrical Corporation Actual Data	
Program Eligibility:	
Executive Officer LTIP Target:	

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

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

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

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

Executive Title/ Function and Name: All Executive Officers			
LTIP Award Type	Weight	Measure(s)	Vesting
Example:			
Stock Grant			
Stock Option	20%	LTIP Safety goal performance	3-Year Ratably
RSU	10%	Company stock performance	3-Year Ratably
PSU	70%	1.50% based on 3-year relative total shareholder return (TSR) – 35% based on 3-year relative TSR vs. S&P 500 Utilities Index – 15% based on 3-year relative TSR vs. S&P 500 Index 2.20% based on 3-year EPS Compound Annual Growth Rate (CAGR) with payout scale set based on forward consensus estimates of S&P 500 Utilities peers.	3-Year Cliff
Cash			

Executive Title/ Function and Name: All Executive Officers			
LTIP Award Type	Weight	Measure(s)	Vesting
Weighting Total:	100%		
Electrical Corporation Actuals:			
Stock Grant			
Stock Option			
RSU			
PSU/ PRSU			
Cash			
Other			

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

1. Is any LTIP compensation not at risk?

Yes: No:

Describe/Explain whether answering either Yes or No:

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

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

	Below Minimum	Minimum	Target	Maximum
Examples:				
All LTIP Metrics	0%	25%	100%	150%
Electrical Corporation Actual Data				

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

3. Use of Any Performance Triggers

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

Yes: No:

If "Yes," describe any performance triggers:

4. Use of Any Automatic, Non-Discretionary Deductions

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

Yes: No:

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

5. Use of Any Specifically Defined Discretionary Deductions

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

Yes: No:

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

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

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

Yes: No:

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

1. Changes in LTIP measures

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

Yes: No:

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

--

1.4.4 Performance Share Unit Metric Actual Performance

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

Table 1.4.5

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

Performance Period	Measure/Metric	Weight	Below Min	Min	Target	Max	Actual	Performance Multiplier	Weighted Contribution
Example 1:									
2022 to 2024	Customer Satisfaction	15%	0%	73.0	76.0	78.5	66.7	0%	0%
2022 to 2024	System average interruption duration index (SAIDI)	15%		334.6	327.9	276.7	341.3	200%	30%
2022 to 2024	System hardening effectiveness (risk miles)	20%		1,226	1,360	1,411	1,272	67%	13.4%
2022 to 2024	Enhanced vegetation management effectiveness (risk miles)	20%		N/A	1,924	N/A	1,924	100%	20%
2022 to 2024	Customers (millions)	15%		\$(150)	\$(104)	\$(59)	\$(75)	165%	24.7%
2022 to 2024	Relative total shareholder return (TSR)	15%		25th Percentile	50th Percentile	90th Percentile	100th Percentile	200%	30%
Total		100%							118.1%
Example 2:									

2022 to 2024	TSR	50%		25 th Percentile	50 th Percentile	75 th Percentile	79 th Percentile	200%	100%
2022	Core EPS for a calendar year as a percentage of target Core EPS			3.69	4.61	5.53	4.61	100%	
2023				3.68	4.6	5.52	4.76	118%	
2024				3.92	4.9	5.88	4.93	103%	
2022 to 2024		50%						107%	53.5%
Total		100%							153.5%

Notes/Context:

1.4.5 Historical LTIP Data

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

Table 1.4.6
LTIP Metric Historical Actual Performance Over Performance Period

Metric/Measure	Vesting Year				
	Current Year - 5	Current Year - 4	Current Year - 3	Current year - 2	Current Year - 1
Example 1:					
TSR vs. S&P 500 Utilities Index	115% (2018-2020 Award cycle)	64% (2019-2021 Award cycle)	131% (2020-2022 Award cycle)	145% (2021-2023 Award cycle)	192% (2022-2024 Award cycle)
TSR vs. S&P 500 Index	103% (2018-2020 Award cycle)	2% (2019-2021 Award cycle)	81% (2020-2022 Award cycle)	109% (2021-2023 Award cycle)	170% (2022-2024 Award cycle)
EPS Growth	200% (2018-2020 Award cycle)	200% (2019-2021 Award cycle)	200% (2020-2022 Award cycle)	200% (2021-2023 Award cycle)	200% (2022-2024 Award cycle)
Example 2:					
Customer Satisfaction	95% (2018-2020 Award cycle)	105% (2019-2021 Award cycle)	110% (2020-2022 Award cycle)	100% (2021-2023 Award cycle)	0% (2022-2024 Award cycle)
System average interruption duration index (SAIDI)	180% (2018-2020 Award cycle)	200% (2019-2021 Award cycle)	200% (2020-2022 Award cycle)	150% (2021-2023 Award cycle)	200% (2022-2024 Award cycle)
System hardening	150% (2018-2020 Award cycle)	111% (2019-2021 Award cycle)	100% (2020-2022 Award cycle)	90% (2021-2023 Award cycle)	67% (2022-2024 Award cycle)

effectiveness (risk miles)					
Electrical Corporation Actual Data					

Notes/Context:

--

1.4.6 LTIP Adjustments for Performance Period Ending in Previous Year

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

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

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

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

1.4.7 Historical LTIP Adjustments

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

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

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

Table 1.4.7
Historical LTIP Reductions

Year	LTIP Deduction for Executive Officers Due to Unmet Safety, Wildfire Resiliency, and Other Goals	Provide a summary breakdown showing how the total point deductions are allocated across each unmet goal
Electrical Corporation Data		
Current Year		
Current Year - 1		
Current Year - 2		
Current Year - 3		
Current Year - 4		
Current Year - 5		

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

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

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

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

Executive Title/ Function and Name: Executive Officer 1								
LTIP Program Name	Performance Measure	Target Value as % of TIC	Grant Date	Stock Price at Grant Date	Grant Date Fair Value as a % of TIC	Vesting Date	Stock Price at Vesting Date	Earned Value as a % of TIC at Vesting Date
Example:								
Stock Grants								
Stock Options								
2019 RSU	Stock price	30%			28%			25%
2020 RSU	Stock price	15%			28%			16%
2019 Performance Shares	SIF Corrective Action Effectiveness	15%			14%			5%
Electric Corporation Actual Data								

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

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

--

1.5 Catastrophic Wildfire History

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

Instructions: In Table 1.5.1, for each year in which the electrical corporation caused a catastrophic fire that resulted in one or more fatalities, the electrical corporation must provide the name of the catastrophic fire or fires that occurred that year, and for each executive officer, the percentage of the Total Incentive Compensation (TIC) awarded in that year compared to the target TIC, and the percentage of the Total Compensation (TC) awarded in that year compared to the target TC.

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

Table 1.5.1
Catastrophic Wildfire Incentive History

Wildfire Year	Executive Title/ Function	Catastrophic Wildfire(s)	TIC Awarded as a Percent of Target	TC Awarded as a Percent of Target	Detailed Description/Explanation
Current Year					
Current Year					
Current Year - 1					
Current Year - 1					
Current Year - 2					
Current Year - 2					
Current Year - 3					
Current Year - 3					
Current Year - 4					
Current Year - 4					
Current Year - 5					
Current Year - 5					

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

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

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

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

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

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

- Public Utilities Code section 8389(a)(6)(A)(i)(I) requires electrical corporations with new or amended contracts, plans, or arrangements, whether written or unwritten, for executive officers be based on the principle of "strict limits on guaranteed cash compensation, with the primary portion of the executive officers' compensation based on achievement of objective performance metrics."
 - For the purposes of compliance with Public Utilities Code section 8389(a)(6)(A)(i)(I), the electrical corporations must demonstrate that greater than 50 percent of each executive officer's total direct compensation, at the target performance level, is based on the achievement of objective performance metrics.
- Public Utilities Code section 8389(a)(6)(A)(iii) requires electrical corporations' new or amended contracts, plans, or arrangements, whether written or unwritten, for executive officers be based on the principle of including a "long-term structure that provides a significant portion of compensation, which may take the form of grants of the electrical corporation's stock, based on the electrical corporation's long-term performance and value." Additionally, this "compensation shall be held or deferred for a period of at least three years."
 - For purposes of compliance with Public Utilities Code section 8389(a)(6)(A)(iii), the electrical corporations must demonstrate that each executive officer's total

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

direct long-term compensation at the target performance level is a significant portion of that executive officer's total direct compensation. See the definition of Long-Term Incentive Program in Attachment 2 to determine whether compensation is "delayed three or more years."

- Public Utilities Code section 8389(a)(6)(A)(iv) requires electrical corporations' new or amended contracts, plans, or arrangements, whether written or unwritten, for executive officers be based on the principle of "minimization or elimination of indirect or ancillary compensation that is not aligned with shareholder and taxpayer interest in the electrical corporation."
 - For the purposes of compliance with Public Utilities Code section 8389(a)(6)(A)(iii) the electrical corporations must demonstrate that total indirect and ancillary compensation that is not aligned with shareholder and taxpayer interest in the electrical corporation is minimized.

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

1.6 Fixed versus Incentive Compensation

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

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

Instructions: In Table 1.6.1, for each executive officer, the electrical corporation must provide the executive title and function, the executive name (if the executive is classified as an Officer of the Company per the Company's website), the target percentage of Base Salary, Short-Term Incentives (STIP), Long-Term Incentives (LTIP), and Indirect and Ancillary

Compensation as a proportion of Total Compensation (TC) for the appropriate filing year. See the definition of the proceeding terms in Attachment 2.

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

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

*Table 1.6.1
Fixed versus Incentive Compensation at the Target Level*

Executive Title/ Function and Name (where applicable)	Target Base Salary as a Percent of TC	Target Annual STIP as a Percent of TC	Target Quarterly STIP as a Percent of TC	Target LTIP as a Percent of TC	Indirect and Ancillary Compensation as a Percent of TC
Example 1:					
[Company] President and CEO – Name	30%	35%		25%	10%
[Company] Chief Operating Officer (COO) – Name	35%	35%		20%	10%
[Company] Senior Vice President (SVP) – Name	35%	35%		25%	5%
[Company] Chief Financial Officer (CFO) – Name	35%	35%		20%	10%
[Company] General Counsel – Name	40%	35%		20%	5%
Example 2:					

Executive Title/ Function and Name (where applicable)	Target Base Salary as a Percent of TC	Target Annual STIP as a Percent of TC	Target Quarterly STIP as a Percent of TC	Target LTIP as a Percent of TC	Indirect and Ancillary Compensation as a Percent of TC
[Company] President and CEO – Name	45%	15%	10%	25%	5%
Electrical Corporation Actual Data					

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

--

1.7 Indirect or Ancillary Compensation

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

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

Instructions: The electrical corporation must list all indirect and ancillary compensation (excluding SERP) provided to executive officers with new or amended contracts, plans, or arrangements, whether written or unwritten. See Attachment 2 for the definition of and a list of typical indirect or ancillary compensation. If the electrical corporation provides indirect or ancillary compensation, the electrical corporation must provide the current estimated proportion of TC for each executive officer. The total indirect and ancillary service costs reported in Table 1.7.1 must reconcile with the corresponding values Table 1.6.1. For purposes of calculating the percentage of TC, use the grant value of the compensation as

determined for accounting purposes. Grant value is the value that is disclosed in proxy statement summary compensation tables for executive officers who are proxy officers. The electrical corporation must specify percentages for each executive officer and not a range for various position levels. The electrical corporation must exclude all pension plans whether qualified or non-qualified in Table 1.7.1. The electrical corporation may add rows and explanatory notes as necessary.

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

Executive Title	Current Year Indirect or Ancillary Compensation Element	Eligibility Requirements	Frequency (One-Time, Annual, Other)	Current Estimated Proportion of Current Year TC
Example 1:				
CEO	Relocation Costs	On an exception basis, SVP and above, driven by market conditions	One-time	0%
CEO	Home security	All executive officers	One-time installation cost, annual monitoring cost	<1% annual
CEO	Additional security detail	CEO only	Annual	2%
CEO	Gym membership	SVP and above	Annual	<1%
CEO	Financial Planning Assistance	C-suite	Annual allowance	<1%
Total				
Example 2:				
CFO	Relocation Costs	On an exception basis, SVP and above, driven by market conditions	One-time	0%
CFO	Home security	All executive officers	One-time installation cost, annual	<1% annual

Executive Title	Current Year Indirect or Ancillary Compensation Element	Eligibility Requirements	Frequency (One-Time, Annual, Other)	Current Estimated Proportion of Current Year TC
			monitoring cost	
CFO	Gym membership	SVP and above	Annual	<1%
CFO	Financial Planning Assistance	C-suite	Annual allowance	<1%
Total				
Electrical Corporation Actual Data				

1.7.2 Supplemental Executive Retirement Plans (SERPs)

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

1. Availability of Supplemental Retirement Plans

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

Yes: No:

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

2. Structure of Supplemental Retirement Plans

If supplemental retirement plans are available, describe:

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

3. Supplemental Retirement Plan Benefits

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

Table 1.7.1
SERP Values

Executive Title	Number of Years Credited Service as of Current Year	Present Value of Accumulated Benefit – Previous Year as a % of TDC	Cash Balance Account Lump Sum Value – Previous Year as a % of TDC
Example:			
CEO	25		
CFO	20		
Vice President – ABC	12		
Vice President – XYZ	Not eligible		
Electrical Corporation Actual Data			

1.8 ACR 9 Executive Compensation Proposal

As per D. 20-05-053, the Commission has obligated PG&E to comply with the requirements of the Assigned Commissioner Ruling (ACR) Executive Compensation Proposal 9. PG&E must note in its submission how it is addressing the various additional requirements.⁷

⁷ CPUC Decision 20-05-053, pp. 86 – 93:

<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M338/K816/338816365.PDF>, (accessed March 27, 2026).

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

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

1.8.1 ACR Executive Compensation Proposal Alignment

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

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

1. Publicly disclosed compensation arrangements for executives.

2. Written compensation agreements for executives.

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

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

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

⁸ Section 2 of AB 1054 describes the state's substantial interest in its electrical corporations operating in a safe and reliable manner and with access to capital at reasonable cost to make safety investments. A Certificate encourages electrical corporations investment in safety and the improvement of safety culture to limit wildfire risks and reduce costs.

⁹ CA AB 1054, 2019-2020 Regular Session (2019),

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB1054, (Accessed April 28, 2026).

The remaining portion may be based on financial performance or other considerations.

6. Annual review of awards by an independent consultant.

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

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

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

Attachment 2:

Terms, Acronyms & Definitions

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

Term	Definition for Executive Compensation Filing Purposes
Earnings Targets or Earnings Thresholds	An amount of corporate earnings (typically measured as earning per share) that must be achieved before some, or all, of an element of incentive compensation is paid out.
Executive Officer	Executive officer means any person who performs policy making functions and is employed by the public utility subject to the approval of the board of directors, and includes the president, secretary, treasurer, and any vice president in charge of a principal business unit, division, or function of the public utility as outlined in Public Utilities Code section 451.5(c). ¹⁰ Energy Safety considers divisions or units responsible for electric operations, gas operations or wildfire-related functions principal business units, divisions or functions of the public utility.
Foundational Goal	A goal or collection of goals, that if not met, can result in a deduction to the amount of the STIP award. This failure is separate from any deductions due to a failure to meet a required performance trigger. Effectively, foundational goals operationalize the normal discretion afforded by a Compensation Committee.
Graded Vesting	Graded vesting is a type of vesting in which employees receive a certain percentage of vesting after each year of service. The percentage increases a certain amount each year. For example, many companies use a five-year schedule in which the employee receives 20 percent each year.
Grant Value	Value determined using the same methodology used to determine grant value for that form of compensation for the electrical corporation's officers whose compensation is disclosed in a proxy statement. If none of the electrical corporation's officers have compensation disclosed in a

¹⁰ Public Utilities Code Section 451.5(C)

(https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=451.5&lawCode=PUC, accessed March 27, 2026).

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

Term	Definition for Executive Compensation Filing Purposes
Performance Share Unit (PSU)	Performance shares, as a form of stock compensation, are allocations of company stock given to managers and executives granted only if certain company-wide performance criteria are met.
Performance Trigger	A goal that must be met for there to be any payout of a short-term or long-term incentive category or the entire incentive. It is not a deduction or discretionary.
Performance-Based Restricted Share Unit (PRSU)	See definition of Performance Share Unit.
Restricted Share Unit or Restricted Stock Unit (RSU)	RSUs are a form of stock-based employee compensation. An employee is granted a certain number of shares which they will receive in the future. RSUs are restricted during a vesting period (typically 3-5 years), during which time they cannot be sold. Upon vesting, they are just like any other shares of company stock. Unlike stock options, RSUs will always have some value based on the underlying shares. The entire value of vested RSUs must be included as ordinary income in the year of vesting for tax purposes.
Safety and Operational Metrics (SOMs)	Safety and Operational Metrics (SOMs) are a set of metrics used by the California Public Utilities Commission (CPUC) to monitor and evaluate Pacific Gas and Electric Company's (PG&E) safety performance and risk mitigation efforts, including wildfire safety, electric reliability, and natural gas safety. ¹¹
Safety Performance Metrics (SPMs)	Safety Performance Metrics (SPMs) are a set of metrics used by the California Public Utilities Commission (CPUC) to assess utilities' safety performance and risk mitigation

¹¹ Safety and Operational Metrics (SOMs):

<https://www.cpuc.ca.gov/about-cpuc/divisions/safety-policy-division/wildfire-and-safety-performance/safety-and-operational-metrics>, (accessed March 27, 2026).

Term	Definition for Executive Compensation Filing Purposes
	efforts in areas such as electric, gas, worker, and public safety. ^{12, 13}
Short-Term Incentive Program	The Short-Term Incentive Program (STIP) includes all incentive-based compensation awarded on a performance term of less than three years.
Stock Grant	The award of shares of stock in a company.
Stock Option	The option to purchase stock in a company at a set price at a future date in time.
Supplemental Executive Retirement Plan (SERP)	A nonqualified retirement plan for key company employees, such as executives, provides benefits above and beyond those covered in other retirement plans. There are two general types of SERPs: Unfunded and funded. For an unfunded SERP, the employer contractually promises to pay certain compensation-related benefits at a date in the future. However, that contractual agreement or promise is not secured. An unfunded plan is subject to creditor claims. For a funded SERP, the company puts the assets in a trust account. A funded plan is generally not subject to creditor claims.
Supra-Majority	Over two-thirds.
Total Compensation (TC)	The sum of: Base Salary + Short-Term Incentive Program compensation + Long-Term Incentive Program compensation + Indirect and Ancillary compensation.

¹² CPUC Decision 19-04-020:

<https://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=288389255>, (accessed March 27, 2026).

¹³ CPUC Decision 21-11-009 in eight separate files:

<https://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=421107805>, (accessed March 27, 2026).

Term	Definition for Executive Compensation Filing Purposes
Total Direct Compensation (TDC)	The sum of: Base Salary + Short-Term Incentive Program (STIP) compensation + Long-Term Incentive Program (LTIP) compensation.
Total Incentive Compensation (TIC)	The sum of: Short-Term Incentive Program (STIP) compensation + Long-Term Incentive Program (LTIP) compensation.

Attachment 3:

Metric Categories and Subcategories

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

Categories

Metrics must be assigned to the following categories:

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

Safety Metric Subcategories

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

- Wildfire Mitigation
- Emergency Response
- Public Safety – Other Electric¹⁴
- Public Safety – Gas¹⁵
- Public Safety – Generation¹⁶
- Workforce Safety (employee and contractor)

¹⁴ Not including emergency response (either internal or external)

¹⁵ Not including emergency response (either internal or external)

¹⁶ Not including emergency response (either internal or external)

Categorization Guidelines

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

- Financial: Achievement of any capital expenditure targets (regardless of type) must be classified as financial.
- Reliability: System Average Interruption Duration Index (SAIDI), System Average Interruption Frequency Index (SAIFI), Customer Average Interruption Duration Index (CAIDI) and Customers Experiencing Multiple Interruptions (CEMI) must be classified as Reliability (Electric Reliability).

DATA DRIVEN FORWARD-THINKING INNOVATIVE SAFETY FOCUSED



OFFICE OF ENERGY INFRASTRUCTURE SAFETY
A California Natural Resources Agency
www.energysafety.ca.gov

715 P Street, 15th Floor
Sacramento, CA 95814
916.902.6000

