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## **PG&E Announces New Commitments that Resolve Governor’s Concerns About Plan of Reorganization; Continues to Make Progress Toward Timely Chapter 11 Exit**

### *Bankruptcy Court Approves PG&E Exit Financing*

**SAN FRANCISCO, Calif.** — PG&E Corporation and Pacific Gas and Electric Company (together, “PG&E” or the “company”) announced that the company filed today a motion with the Bankruptcy Court outlining new commitments to its Plan of Reorganization (“Plan”). The Governor’s Office has filed a statement in the Bankruptcy Court that is supportive of the company’s Plan and its compliance with Assembly Bill (AB) 1054.

“We appreciate the Governor’s statements in the Bankruptcy Court. We now look to the California Public Utilities Commission to approve the Plan through its established regulatory process, so that we can exit Chapter 11, pay wildfire victims fairly and as soon as possible, and participate in the State’s Wildfire Fund,” said CEO and President of PG&E Corporation Bill Johnson.

### **New Commitments to Position PG&E for Long-Term Success**

PG&E has made a series of new commitments regarding its governance, operations, and financial structure, all designed to further prioritize safety and expedite the company’s successful emergence from Chapter 11.

The new commitments include:

- Supporting the CPUC’s enactment of measures to strengthen PG&E’s governance and operations, including enhanced regulatory oversight and enforcement that provides course-correction tools as well as stronger enforcement if it becomes necessary;
- Agreeing to host an observer to provide the State with insight into the company’s progress on safety goals before the company exits Chapter 11;
- Agreeing that, in the unlikely event the Plan is not confirmed, or PG&E does not exit Chapter 11 in a timely manner, an orderly process for a sale of the business to the State or another party will be commenced;
- A commitment not to reinstate a dividend for approximately 3 years, which is estimated to contribute an additional \$4 billion of equity to pay down debt and invest in the business;
- Pursuing a rate-neutral \$7.5 billion securitization transaction after PG&E emerges from Chapter 11, to reduce the cost of financing for customers and to accelerate payments to wildfire victims; and
- Committing not to seek recovery in customer rates of any portion of the approximately \$25.5 billion that will be paid to victims of the 2017-2018 wildfires under the company’s

plan when PG&E emerges from Chapter 11 (except through the rate-neutral securitization transaction).

The Governor's Bankruptcy Court filing states that, assuming the Bankruptcy Court and CPUC approve these commitments, PG&E's Plan of Reorganization "will, in the Governor's judgment, be compliant with AB 1054." The Governor's filing also states that a rate neutral securitization under Senate Bill 901 that meets all legal requirements would, in the Governor's judgment, be in the public interest, as it would strengthen the going-forward business and support the company's ability to provide safe, reliable, affordable and clean energy to its customers.

### **Existing Commitments in PG&E's Plan of Reorganization**

Previously, PG&E took a number of significant steps to ensure its Plan complies with AB 1054, including: selecting a substantial number of new members of the Boards of Directors of PG&E Corporation and Pacific Gas and Electric Company upon emergence from Chapter 11; pursuing a plan to regionalize the company's operations and its infrastructure to enhance the company's focus on local communities and customers; appointing an independent safety advisor after the term of the court-appointed Federal Monitor expires; and taking other safety and oversight actions. Earlier this week, PG&E filed an [updated plan](#) to incorporate the terms of prior settlements, among other changes.

### **Exit Financing Approved**

Another major milestone was achieved this week when the Bankruptcy Court approved commitment letters with respect to PG&E's exit financing. This followed PG&E's resolution of outstanding wildfire claims with federal and state agencies in a manner that minimizes the impact on the payment of wildfire victims' claims. PG&E's Plan has the support of wildfire victims' groups, the company's labor unions, and other key stakeholders, including the Governor.

"Our Plan will position the company to make necessary safety and wildfire mitigation investments in the coming years, partner with the State in achieving its bold climate goals, and, importantly, provide protection to California if the Chapter 11 process is not concluded in a timely manner," said Johnson. "We reaffirm our commitment to delivering safe and reliable electric and gas service and implementing needed changes across our business to become a new and transformed company that is positioned to meet our commitments to California and our customers."

PG&E's Plan remains subject to approval by the California Public Utilities Commission and the Bankruptcy Court. The Bankruptcy Court is scheduled to hold a hearing on the confirmation of PG&E's Plan on May 27, 2020, following a vote solicitation process for relevant parties that will take place in the coming weeks.

### **Wildfire Victim Settlements**

As part of the Chapter 11 process, PG&E has previously reached settlements with all wildfire victims' groups to be implemented pursuant to PG&E's Plan, valued at approximately \$25.5 billion, including:

- A \$1 billion settlement with cities, counties, and other public entities;
- An approximately \$13.5 billion settlement resolving claims by individual victims and others relating to the 2015 Butte Fire, 2017 Northern California Wildfires (including the 2017 Tubbs Fire), and the 2018 Camp Fire; and

- An \$11 billion agreement with insurance companies and other entities that paid claims by individuals and businesses related to the wildfires.

## **Key Safety Improvements**

Since the 2018 Camp Fire, PG&E has taken many additional safety actions and implemented a risk-based, comprehensive approach to reduce wildfire risks including enhanced inspections of the company's electric system, additional vegetation management, and new operational protocols with short-, medium- and long-term plans to make its system safer. PG&E's goal is to help keep customers and communities safe across its service territory. More information about those safety investments and improvements is [here](#).

## **About PG&E Corporation**

PG&E Corporation (NYSE: PCG) is a holding company headquartered in San Francisco. It is the parent company of Pacific Gas and Electric Company ("Utility"), an energy company that serves 16 million Californians across a 70,000-square-mile service area in Northern and Central California. Each of PG&E Corporation and the Utility is a separate entity, with distinct creditors and claimants, and is subject to separate laws, rules and regulations. For more information, visit <http://www.pgecorp.com>. In this press release, they are together referred to as "PG&E."

## **Cautionary Statement Concerning Forward-Looking Statements**

This news release includes forward-looking statements that are not historical facts, including statements about the beliefs, expectations, estimates, future plans and strategies of PG&E Corporation and the Utility. These statements are based on current expectations and assumptions, which management believes are reasonable, and on information currently available to management, but are necessarily subject to various risks and uncertainties. In addition to the risk that these assumptions prove to be inaccurate, factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include factors disclosed in PG&E Corporation's and the Utility's annual report on Form 10-K for the year ended December 31, 2019, and their subsequent reports filed with the Securities and Exchange Commission (the "SEC"), which are available on PG&E Corporation's website at [www.pgecorp.com](http://www.pgecorp.com) and on the SEC website at [www.sec.gov](http://www.sec.gov). Additional factors include, but are not limited to, those associated with the Chapter 11 cases of PG&E Corporation and the Utility that commenced on January 29, 2019. PG&E Corporation and the Utility undertake no obligation to publicly update or revise any forward-looking statements, whether due to new information, future events or otherwise, except to the extent required by law.

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