Pacific Gas and Electric Company®

Lisa Laanisto
Director, Compensation

77 Beale Street
San Francisco, CA 94105

June 4, 2021

Ms. Caroline Thomas Jacobs
Director, Wildfire Safety Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102

Re: Pacific Gas and Electric Company's Executive Compensation Approval Request Pursuant to Public Utilities Code § 8389(e)(4) and (e)(6)

Dear Ms. Thomas Jacobs:

Pacific Gas and Electric Company ("PG&E") respectfully submits this supplement to its January 15 and March 2, 2021 submissions to the Wildfire Safety Division ("WSD") concerning PG&E's 2021 executive compensation structure. As PG&E noted in those submissions, PG&E had not yet set performance milestones for the Reportable Fire Ignitions metric in PG&E's 2021 Short-Term Incentive Plan ("STIP") because 2020 performance results were being audited. PG&E provides this supplement to update WSD on this topic.

PG&E has determined to replace the Reportable Fire Ignitions metric in the 2021 STIP with an outcome-based Wildfire Risk Reduction metric that focuses more closely on reducing the number of potentially significant wildfires. Specifically, the former metric encompassed all powerline-involved fire incidents annually reportable to the California Public Utilities Commission per D.14-02-015 within PG&E's High Fire Threat Districts ("HFTDs"), including otherwise reportable fires that travelled any distance greater than one meter from the ignition point. The former metric thus encompassed fires that were immediately extinguished. The new Wildfire Risk Reduction metric, by contrast, encompasses only reportable fires in PG&E's HFTDs that burn at least 100 acres. The new metric thus focuses on the most significant fires; indeed, from 2015 to 2020, approximately 96% of all reportable fires have accounted for just 0.2% of acreage burned, while the remaining approximately 4% have accounted for approximately 99.8% of acreage burned. The new Wildfire Risk Reduction metric therefore promotes a reduction of the number of the most significant fires, and more closely aligns with public safety.

The attached chart provides more details about this metric. If PG&E can provide further information, please do not hesitate to contact me.

Sincerely,

/s/ Lisa Laanisto

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cc: R.18-10-007 Service List

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WILDFIRE RISK REDUCTION	
Definition:	Count of ignitions that result in fires equal to or greater than 100 acres in PG&E's High Fire Threat Districts ("HFTDs") and reportable to the CPUC per D.14-02-015. A reportable fire incident per D.14-02-015 is a fire event that meets the following criteria: (i) ignition is associated with PG&E powerlines (transmission or distribution); (ii) something other than PG&E facilities burned; and (iii) the fire travelled more than one meter from the ignition point.
Units and Calculation:	Simple count of CPUC-reportable ignitions that result in fires equal to or greater than 100 acres in PG&E's HFTDs.
Milestone Type:	Lower is better.
Milestones:	Threshold: 4 Target: 2 Maximum: 0
Exclusions/Exceptions:	None.