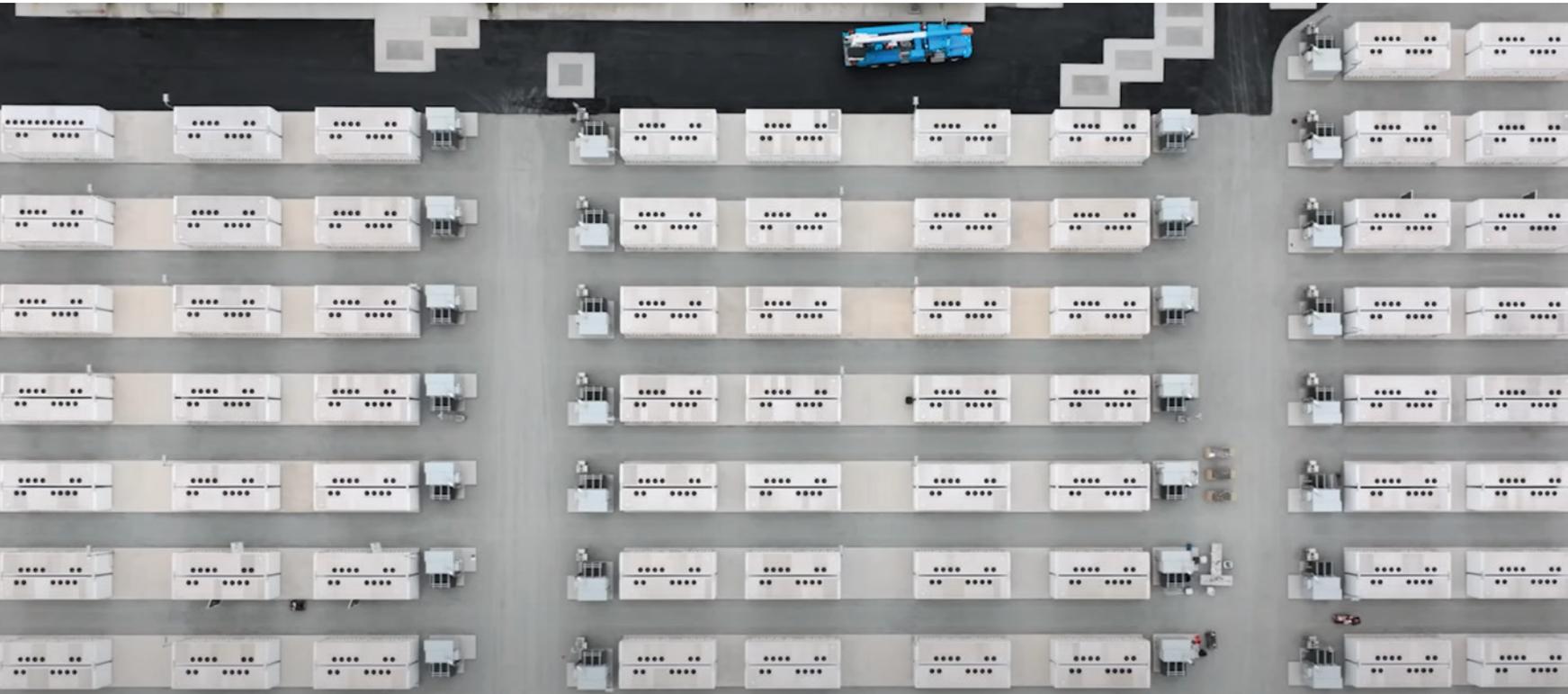


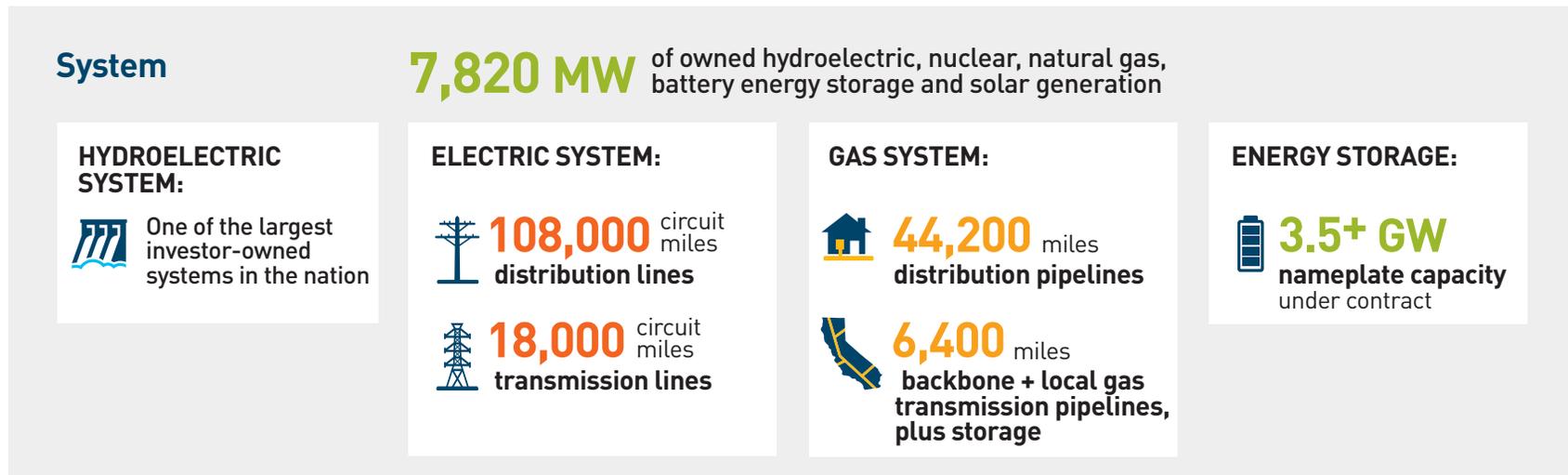


Sustainable Financing Report



About PG&E

Pacific Gas and Electric Company (the Utility), a subsidiary of PG&E Corporation (together, PG&E), is a combined natural gas and electric utility serving **more than 16 million people** in Northern and Central California.



¹ Electric and gas customers are counted separately as customers and are given unique service agreement numbers individually for gas and electric service.

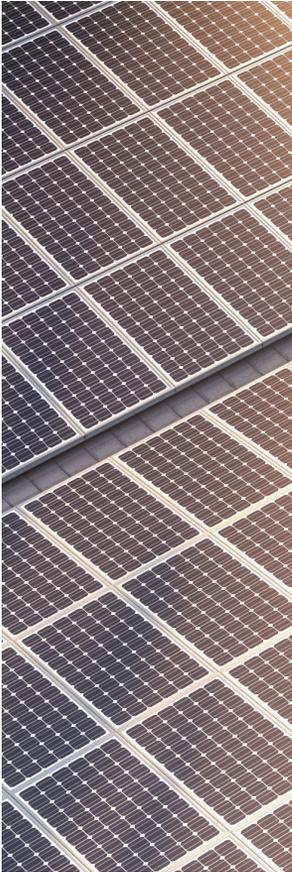
² Includes 17,000 employees covered by collective bargaining agreements with three labor unions: the International Brotherhood of Electrical Workers Local 1245; the Engineers and Scientists of California IFPTE 20; and the Service Employees International Union Local 24/7.

Sustainable Financing at PG&E

In support of our commitment to help heal the planet and find ways to lower the cost of providing service for customers, the Utility issued a **\$750 million** sustainability bond in March 2023 (2023 sustainability bond).

An amount equal to net proceeds of the bonds has been used to finance projects designed to support PG&E's climate goals and our work to help California transition to a decarbonized and more climate-resilient economy.

The bonds were designated as sustainability bonds consistent with PG&E's published **Sustainable Finance Framework**, which was reviewed by S&P Global Ratings. Sustainability bonds are a designation for capital raises to finance investments with intended environmental and social benefits.



Assurance

An independent registered public accounting firm has examined management's assertion that the net proceeds from the issuance of the sustainability bond have been used for Eligible Projects (as defined in the Allocation Report section) and provided an attestation in accordance with attestation standards established by the American Institute of Certified Public Accountants. The third-party attestation may be found on PG&E Corporation's website.



Final Terms of Pacific Gas and Electric Company's Sustainability Bond

Issuing Entity	Pacific Gas and Electric Company
Sustainable Financing Instrument	Sustainability First Mortgage Bond
Second-Party Opinion	Framework SPO
Size (\$M)	\$750
Net Proceeds (\$M)	\$741
Coupon	6.700%
Trade Date	March 28, 2023
Settlement Date	March 30, 2023
Maturity Date	April 1, 2053
Denomination	\$2,000 and integral multiples of \$1,000 in excess thereof
CUSIP	694308KK2



Allocation Report

Allocation Principles

The Utility allocated an amount equal to the net proceeds from the issuance of the 2023 sustainability bond to finance, in part or in full, investments in Eligible Projects (as defined in this section), providing measurable environmental and social impact. The Utility followed the process described in its Sustainable Finance Framework when identifying the Eligible Projects.

Eligible Project Categories

Additional detail on eligible categories is included in the [Sustainable Finance Framework](#). 

	Eligible projects:	Alignment with UN SDG:
 Renewable Energy	Investments related to: <ol style="list-style-type: none"> 1. Transmission and distribution infrastructure that supports the connection of renewable energy generation facilities or storage systems. 2. Acquisition, construction, development, maintenance, expansion, or operation of renewable energy. 	
 Clean Transportation	Investments related to: <p>Clean transportation infrastructure and programs including construction, engineering, development, acquisition, or maintenance of electric grid infrastructure supporting sustainable mobility including electric vehicles (EV) and low carbon transportation.</p>	
 Socioeconomic Advancement and Empowerment	Expenditures and program investments related to: <p>Enabling opportunities for diverse business enterprises (small businesses and minority, women, service-disabled veteran, LGBT, and persons with disabilities business enterprises).</p>	 

Exclusions:

- Activities related to the exploration, production, consumption, or transportation of fossil fuels
- Nuclear energy
- Large hydro (e.g., hydro units with capacity greater than 30 MW), except those activities that are included in the Eligible Project categories
- Any project, or portion thereof, previously disbursed or allocated to under our existing green securitization program or any prior Sustainable Finance Instruments

Allocation of 2023 Sustainability Bond



One of the new tubular steel poles installed as part of the Bellota–Warnerville transmission project to add grid capacity and enable more renewable generation.

Eligible Green Projects allocated from the Utility’s 2023 sustainability bond reflect a range of projects aligned with PG&E’s climate goals toward a net zero energy system in 2040, as described in our Climate Strategy Report (available at pge.com/climate). **Eligible Social Projects** allocated in the Utility’s 2023 sustainability bond reflect the portion of Eligible Green Projects spend with diverse suppliers.

The Utility allocated roughly 60% of the net proceeds from this offering to existing projects (refinancings). As shown in the table below, 100% of the net proceeds were allocated to Eligible Green Projects.

Allocated Eligible Projects by category	\$M	% of proceeds
 Renewable Energy	\$625	84%
 Clean Transportation	\$116	16%
Total Allocated	\$741	100%
 Socioeconomic Advancement & Empowerment ¹	\$67	—

¹Included as a subset of the above investments.

Project examples start on next page.



One of the 230 kV reactors being constructed at the Utility’s Tesla substation to allow for increased renewable energy on the grid.

Allocation of 2023 Sustainability Bond (continued from previous page)

Project Examples



Renewable Energy

Examples of electric transmission projects designed to enable the interconnection of additional renewable energy resources include:

Transmission Line Reconductoring (Bellota–Warnerville)

- Installing a larger conductor and supporting structures to add grid capacity and enable more renewable generation on major transmission lines serving the Greater Stockton Area.
- Project includes reinforcing 45 circuit miles of the 230 kV transmission lines between the Bellota, Cottle, and Warnerville substations to allow about 2,000 MW of renewable energy to be connected to the grid.

Transmission Line Reconductoring (Los Banos–Panoche Corridor)

- Conducting a series of upgrades to our electric system in the Central Valley to prepare for about 1,680 MW of renewable energy generation in the area, including new solar facilities.
- Project includes upgrading transmission lines, switching stations, and substations in Merced County to meet expected capacity requirements and increase reliability systemwide.
- Completed two of the five projects, and solar facilities have started connecting to the grid.

Transmission Capacity Upgrade (Tesla Substation)

- Upgrading equipment at the Utility’s Tesla substation in Alameda County to allow for increased renewable energy to be added to the grid.
- Project includes upgrading twelve 230 kV bus series reactors, which will allow the Utility’s switching personnel to operate the equipment safely and support future clean generation around the substation, including two renewable facilities scheduled to come online in 2025.

continued on next page



Allocation of 2023 Sustainability Bond

(continued from previous page)

Project Examples



Clean Transportation

Examples of electric distribution projects designed to enable additional customer EV charging include:

Distribution Capacity Upgrade (Tejon Substation)

- Upgraded equipment at the Utility’s Tejon substation in the San Joaquin Valley’s southern end to enable capacity for EV charging and commercial infrastructure growth.
- Project installed a new 12 kV substation feeder and circuit breaker, along with about 12,100 feet of underground and 1,900 feet of overhead distribution lines.
- Project allowed for more than 50 additional EV fast charging ports, while also improving service reliability for customers near the Interstate 5 and Highway 99 intersection.

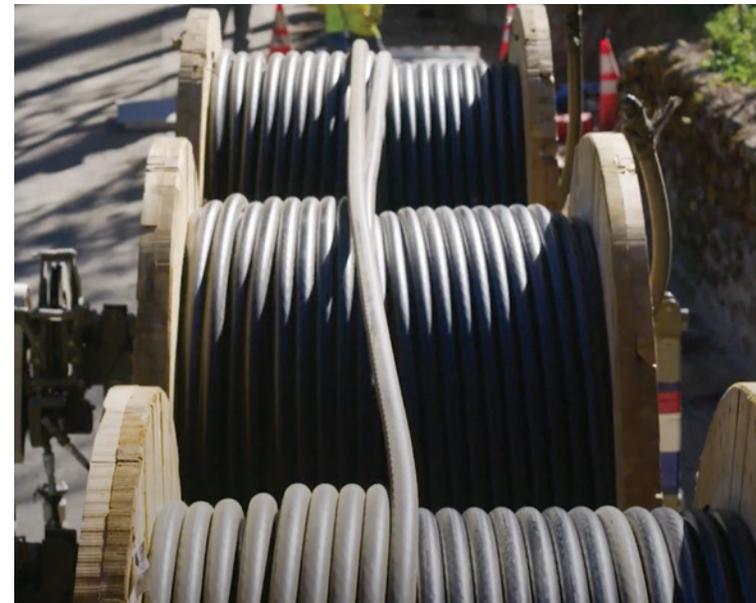
Distribution Capacity Upgrade (Tulare Lake Substation)

- Upgraded equipment at the Utility’s Tulare Lake substation to enable more customers to charge their EVs in a rural, agricultural area in the San Joaquin Valley.
- Project included replacing a transformer bank at the substation—adding needed capacity to enable more than 50 additional EV fast charging ports in Kettleman City at the well-travelled junction of Interstate 5 and Highway 41.



Socioeconomic Advancement and Empowerment

Nearly 50 different diverse suppliers supported Eligible Green Projects allocated from the Utility’s 2023 sustainability bond, providing products and services ranging from engineering services to construction.



Impact Report

The following metrics estimate the expected environmental and social benefits related to Eligible Projects funded by the Utility’s 2023 sustainability bond.

See details related to these calculations in the *Notes* on the next page.

During the 2021 to 2023 allocation period, the Utility interconnected more than **2.4 GW of renewable energy and storage** to the grid, including projects in each region of our service area. Together, these incremental projects are expected to avoid about **5.6 MMT carbon dioxide-equivalent (CO₂e)** by 2030.

The Utility also made investments towards interconnecting **274 MW of EV charging capacity** to the grid, with a portion to be added within the next several years. Together, this EV charging infrastructure is estimated to avoid about **2.5 MMT CO₂e** by 2030.

Within the total allocation to Eligible Green Projects, the Utility spent approximately **\$67 million** with diverse suppliers, providing the social co-benefit of supporting an estimated **549 jobs**.

	Capital Allocated (\$M)	Environmental Impacts			
		Avoided GHG (MMT CO ₂ e)	Renewable Energy Integrated (MW)	Energy Storage Integrated (MW)	EV Charging Integrated (MW)
 Renewable Energy	\$625	5.6 ¹	811	1,614	—
 Clean Transportation	\$116	2.5 ²	—	—	274 ²
Total	\$741				
		Social Impacts			
 Socioeconomic Advancement & Empowerment ³	\$67	549 Jobs Supported			

¹ Includes impacts from 2021 through 2030 from renewable energy and storage interconnected to the grid during the allocation period.

² Includes impacts from 2021 through 2030 from 44 MW of EV charging capacity added during the allocation period and a pro-rated portion of an additional 230 MW to be added within the next several years.

³ Included as a subset of the above investments. Jobs supported data provided by **Supplier.io** using **IMPLAN (implan.com)**.



Notes to PG&E's Impact Report

Renewable Energy and Storage

Capacity of Renewable Energy and Storage Projects Integrated (MW)

This figure represents the incremental new renewable energy and energy storage capacity enabled by electric system investments.

GHG Emissions Avoided (metric tons CO₂e)

PG&E quantified the estimated avoided greenhouse gas emissions (MT CO₂e) from 2021 to 2030 associated with renewable energy and storage projects interconnected during 2021 to 2023. This timeframe aligns with the Utility's 2030 climate goals.

PG&E estimated the avoided CO₂e per year from the incremental renewable energy generation as the amount of CO₂e that would have been emitted on average by the California grid for the equivalent generation in a given year. This estimate used the greenhouse gas emissions intensity across the California grid from data reported to the U.S. Energy Information Administration. For the incremental energy storage generation, PG&E quantified the avoided CO₂e per year based on estimated average grid emissions rates during battery storage charging and dispatch from California Independent System Operator reports.

Clean Transportation

Capacity of EV Charging Integrated (MW)

This figure represents an estimate of the incremental new EV charging capacity enabled by specified electric system investments. The total includes 44 MW of EV charging capacity added to the grid during 2021 to 2023 and 230 MW of expected charging capacity to be added within the next several years supported by 2021 to 2023 capital investments.

GHG Emissions Avoided (metric tons CO₂e)

PG&E quantified the estimated avoided greenhouse gas emissions (MT CO₂e) from 2021 through 2030 from our infrastructure investments that enabled the interconnection of EV charging ports to the grid. This timeframe aligns with the Utility's 2030 climate goals. Within this total, PG&E included a pro-rated portion of the avoided impacts from the additional EV charging capacity expected to be operational in the next several years.

PG&E estimated the CO₂e avoided each year from increasing volumes of EVs charging with the incremental interconnected charging capacity and compared this value to the amount of CO₂e that would have been emitted if these vehicles had internal combustion engines. The approach took into account both tailpipe and upstream emissions from the vehicles, including emissions associated with fuel production and combustion, as well as the Utility's projected electricity supply used for vehicle charging.

Socioeconomic Advancement & Empowerment

Jobs Supported

Within the total allocation, PG&E quantified the amount spent with diverse suppliers—certified minority; women; service-disabled veteran; lesbian, gay, bisexual, and transgender (LGBT) individuals; and persons with disabilities business enterprises. The estimated number of jobs supported by this diverse supplier spend was provided by **Supplier.io** using IMPLAN, which captured direct, indirect, and induced economic impacts.