

At PG&E, our purpose as an energy provider is to deliver for and be accountable to our hometowns, serve our planet, and lead with love. Our intent is to leave no communities behind as the energy system and economy transitions to a cleaner future. Fundamental to this purpose is a recognition of our responsibility to understand and respect the needs of the communities we serve, including low-income and climate vulnerable communities and those who identify as Black, Indigenous, or as people of color (BIPOC). PG&E's efforts are guided by our Environmental and Social Justice Policy<sup>1</sup>, established in 2001. PG&E also recognizes our responsibilities to our workers as a public utility employing more than 25,000 people and upholds a strong commitment to a diverse and sustainable supply chain.

PG&E is committed to ensuring that projects implemented under this DOE Title 17 LPO loan guarantee adhere to applicable federal Justice40 requirements, support CalEnviroScreen 4.0<sup>2</sup> disadvantaged communities and uphold PG&E's own labor, supply chain, and environmental and social justice goals by:

- · Conducting robust community and labor consultation and engagement;
- Investing in PG&E's and our suppliers' workforce;
- Adhering to strong diversity, equity, inclusion, and belonging principles; and
- Delivering benefits for disadvantaged communities and hometowns in our service area.

As a foundational step toward these objectives, PG&E will formalize a new centralized community engagement operation that will focus on the following:

- The internal and collaborative external development of Community Benefits Plans and Agreements;
- Coordinating and implementing corresponding community engagement strategies to support projects under this loan;
- While we currently engage with stakeholders across a broad spectrum of channels on a regular basis, we also recognize that we need to enhance our efforts to meet both our own objectives and those of the Justice40 Initiative focused on CalEnviroScreen disadvantaged communities; and,
- Our community engagement strategies will be developed in alignment with the Spectrum of Community Engagement.<sup>3</sup>

Within PG&E, this coordinated function will span and leverage a broad array of cross-functional teams that have the highest level of engagement with our communities and external stakeholders. This will include coworkers with responsibilities for all of the following: outreach and engagement with Native American Tribes, environmental and social justice stakeholders, communitybased organizations (CBOs), local governments, low-income and other customer segments, and other stakeholders; advancing diversity, equity, inclusion, and belonging and workforce development and training within the company;



implementing PG&E's Regional Service Model to better serve our customers; and building a decarbonized and more climate-resilient energy system.

As another foundational step, PG&E will develop an overarching Just Transition Strategy grounded in equity that will serve as the underlying framework for the workforce and community engagement activities outlined for work under this loan. With a focus on delivering benefits for disadvantaged and climatevulnerable disadvantaged communities, it will encompass PG&E's plans for taking active steps to engage workers and affected stakeholders in PG&E's decision-making processes through dialogue and consultations to co-develop solutions for a net zero and climate-resilient future.

As part of the Just Transition Strategy, PG&E will conduct robust community and stakeholder engagement within our service area to support projects under this loan, including the following:

- Adopting a standard for community engagement and Community Benefits Agreements that will be incorporated into PG&E's Lean Operating System, supported by metrics.
- Prioritizing Justice40 and other California state-defined disadvantaged communities via CalEnviroScreen 4.0, vulnerable disadvantaged communities, and stakeholders in our standard for community engagement.
- Negotiating Community Benefits Agreements with communities and collaborators in our service area tied to our anchor projects, prioritizing input from Justice40 communities.

PG&E will dedicate the necessary resources for both the internal (staffing and other resources) and external (technical and financial support for external collaborators') capacity to fulfill the enhanced community engagement and benefits envisioned with PG&E's work covered by the LPO Title 17 loan. We will spearhead a plan and the means with which to hold ourselves accountable with the proper governance and resources to deliver on our Justice40 commitments.

We aim to improve spatial, procedural, and recognition justice by offering Tribal governments and hometowns in impacted disadvantaged communities robust and meaningful engagement, defined by the appropriate stakeholder knowledge, and informed by place-specific needs and opportunities. The early engagement, consultations, and coalition-building inherent in our Just Transition Strategy will align with PG&E's True North Strategy—our 10-year enterprise strategy—and our overarching purpose, virtues, and "stands" as a company. By doing so, we also aim to de-risk the physical infrastructure work included in the LPO loan scope, enabling greater access, and understanding for all stakeholders and optimizing decisions around the benefits of projects.

We will conduct our business in a manner that respects the human rights of all—and in support of international human rights principles, such as those identified in the United Nations (UN) Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights. As a public utility of



over 25,000 co-workers, we strive for a workplace that respects individual differences, perspectives, and talents. We prohibit discrimination, harassment, abusive conduct, bullying, and retaliation and we work to ensure our policies, standards, and procedures reinforce this culture.

#### A. Community and Labor Agreements

PG&E has a long track record of working collaboratively with unions. Approximately two-thirds of PG&E coworkers are covered by collective bargaining agreements with three labor unions: the International Brotherhood of Electrical Workers (IBEW) Local 1245, the Engineers and Scientists of California (ESC) IFPTE Local 20, and the Service Employees International Union (SEIU) United Service Workers West. For example, the IBEW and PG&E have had a long and durable working relationship, starting before 1905. IBEW 1245 represents about 12,000 PG&E coworkers in Physical and Clerical classifications. PG&E's labor agreements through the years have set the standard for the utility industry and the work performed by coworkers who are IBEW members remains critical for hardening, recovery from the ever-increasing impact of extreme weather events and storms, and creating a more resilient grid to ensure a safe and reliable power supply for PG&E's customers. Our union-represented coworkers also carry the significant responsibility for managing the safety of our system for our hometowns, often as first responders to emergencies.

IBEW, ESC, and SEIU union positions include a range of critical areas for PG&E's business, both in the field and office, and include coworkers involved in gas and electric operations, customer services, power generation, environmental and land services, telecommunications, and shared services. Negotiated labor agreements with each union establish the compensation, benefits, and other terms and conditions of employment, including work performed under this loan. Although we expect renewed contracts to be negotiated over the 30-years of this DOE LPO loan guarantee, we are confident in our track record of success with our union partners and anticipate that the work scope included in the LPO loan will at minimum include retention of a comparable proportion of durable, living wage union jobs.

PG&E's LPO loan work scope would cover a significant proportion of the total work plan for the loan period. PG&E averaged the budget totals by themes to help identify the number and types of resources tied to the work that will be executed. The resource demand will impact both represented and non-represented roles throughout the organization. Represented resources are forecasted to grow in both IBEW and ESC classifications. IBEW roles include, but are not limited to, line workers, apprentices, electricians, inspectors, and other construction-related roles. ESC roles include engineers, estimators, system operators, and others. Other non-represented support roles may need to increase to help support associated incremental work, including implementation of the Justice40 requirements and the community benefits plan scopes, once defined.

PG&E's initial working forecast estimates that roughly 400 new, direct, union and about 60 non-union roles will be created by the work covered in the four



major theme areas over the loan period. We anticipate a forecasted growth in the contractor/contingent workforce to support the full execution of the work scope. These numbers are subject to change as PG&E refines LPO loan details as part of the collaborative process with DOE. This estimate represents roughly a 4%-6% increase year over year for FTE resources that are needed to support the work.

#### Leveraging Labor and Community Partnerships

PG&E will build upon the foundation of these relationships with organized labor unions and a broad and diverse array of state, local, and community partners to amplify the beneficial impacts of the work proposed by the loan for implementation of our Just Transition Strategy. This approach offers substantial potential for economic relief and would bring the benefits of clean energy and transportation investments and infrastructure that supports such investment to frontline communities and those that have traditionally lacked access or are experiencing divestment. For instance, California's Central Valley hometowns are routinely identified as disadvantaged and vulnerable communities, and residents of the region often face significant challenges due to the extreme heat, cold spells, and now, extreme flooding in the context of climate change. This region is also located in a non-attainment air basin for certain air pollutants while being the breadbasket of the nation. PG&E has long-standing relationships with local community organizations in the region and would leverage support efforts already underway, such as the Community Air Protection Program under California's AB 617.4

Work included in the loan Virtual Power Plant theme would enable residents to address issues such as indoor air quality, access to clean non-polluting transportation options—both public and private—and would allow for substantial investments in necessary energy upgrades, while minimizing the impact on already overburdened customers. PG&E's LPO-funded projects would also bring much needed local capacity to the region, allowing for additional economic investment and development to be made with the support of our community partners for the benefit of our hometowns.

#### **Environmental and Social Justice**

At PG&E, Environmental and Social Justice means making better business decisions by understanding the impacts of our activities and investments on environmental and social justice communities, while providing more sustainable, inclusive, and equitable customer solutions. Environmental and social justice communities consist of disadvantaged communities, low-income communities, and historically marginalized racial and ethnic communities who have been disproportionately impacted by environmental hazards.

PG&E has several frameworks that will apply to projects under this loan and inform community and workforce agreements developed for the projects, including:



- Environmental and Social Justice (ESJ) Policy, which outlines PG&E's commitment to understanding the impacts of the utility's activities and investments on environmental and social justice communities, while providing more sustainable, inclusive, and equitable solutions. The ESJ Policy is currently being operationalized by an internal, cross-functional ESJ Working Group and includes an Annual Action Plan.
- Human Rights Policy<sup>5</sup>, which incorporates our principles of engagement with our workforce, Native American Tribes, ESJ communities, and suppliers.

Additionally, PG&E has existing structures and venues to convene stakeholders, collaborate with communities, and collect and act on feedback. We will use these capabilities and stakeholder forums to support our community engagement under the loan, including:

- Dedicated full-time staff to build internal capacity related to ESJ matters and serve as a central point of contact for disadvantaged and underserved communities within our service area;
- Dedicated full-time staff for Tribal engagement; and
- Regular participation in numerous stakeholder convenings such as a Communities of Color Advisory Group; Sustainable Communities Advisory Group; Community Perspectives Advisory Group; People with Disabilities and Aging Advisory Council; and Local Stakeholder Advisory Groups.

This important work will be strengthened and enhanced by the Just Transition Strategy and formalized community engagement operation.

#### **Tribal Engagement**

PG&E's service area has one of the highest Native American populations in the United States with 62 Federally-Recognized Tribes and 40 Non-Federally Recognized Tribes. PG&E's Tribal Liaison team regularly engages with all 102 Tribes in our service area and has successfully engaged with Tribes across several priority areas aimed at better serving the Tribal governments and their Tribal members. This includes wildfire safety, weather-related emergencies, postfire mitigation and clean-up operations, natural disasters, and unplanned outages. The establishment of the Blue Lake Rancheria's Microgrid and other onsite distributed energy resources is one example of this engagement. How PG&E engages with Tribes and the associated community benefits is explained in more detail in the Virtual Power Plant theme narrative.

#### **Charitable Giving**

PG&E's charitable giving is dedicated to building safer and more resilient communities. Our 2023 giving totaled more than \$25 million and provided 91% to underserved communities, 87% to low-income communities, and 77% to communities of color, as shown in our 2023 Impact Report and interactive map<sup>6</sup>. Moving forward, our community investments will continue to support disadvantaged communities through charitable partnerships with local and Tribal governments, non-profit organizations, and other community groups.



#### **B.** Investing in the American Workforce

PG&E is focused on developing a workforce with the skills and expertise to meet our customers' needs while operating safely—amidst a rapid transformation in the energy industry. PG&E is continuously recruiting new and talented employees from diverse backgrounds to join our workforce. We conduct targeted outreach and build partnerships with a broad range of organizations, universities, and community colleges to identify new talent. PG&E has also maintained a supplier diversity program for over 40 years.

These existing efforts to build career pathways and a more diverse and sustainable supply chain are foundational pillars for our future work. PG&E will leverage this portfolio of programs, policies, and governance structures to execute on the workforce and community engagement activities envisioned under this loan.

#### **Career Pathways**

We are building career pathways through our talent identification efforts, robust training offerings at PG&E Academy, and targeted efforts at building workforce pipelines such as PowerPathway™. Additional information about PowerPathway is provided in the Transmission theme overview. Beyond PowerPathway, in 2023, PG&E delivered more than 1 million hours of technical, leadership, and coworker training to support career development.

#### **Supplier Diversity**

We expect our suppliers to know and uphold the human rights of all workers—whether temporary or contract employees, sub-contractors, or subsuppliers—and to treat all their workforce members with dignity and respect, providing them with safe and humane working conditions. As highlighted in more detail in the Key Contracts and Agreements section of the Project Description, PG&E is committed to supplier diversity, supply chain responsibility, and enabling small businesses through trainings. PG&E will continue to deliver and improve upon our supplier diversity strategies, while also providing training for our suppliers regarding our Human Rights and Environmental and Social Justice Policies, both of which are incorporated into PG&E's Supplier Code of Conduct.

We will develop additional goals for the number and/or dollar value of contracts, grants, or cooperative agreements awarded to federally-identified Small Business Administration (SBA) graded socioeconomic categories, minority business enterprises, businesses owned by underrepresented groups, womanowned businesses, veteran-owned businesses, businesses located in underserved communities, or local businesses identified as disadvantaged or prioritized by the state, local government, or local community.



### C. Advancing Diversity, Equity, Inclusion, Accessibility, and Belonging

At PG&E, we are committed to fostering a culture where diversity, equity, inclusion, and belonging are fundamental to our work. This includes helping ensure that our coworkers always feel safe on the job, that their voices and ideas are heard, and that everyone experiences a sense of belonging and can bring their whole selves to work at PG&E. We also remain focused on representing the broad diversity of the communities we serve.

By adding the term "belonging" to our approach, PG&E is taking an intentional, more expansive focus intended to describe our values more fully. PG&E is committed to fostering this work internally and externally among the communities we serve and closing the awareness and access gaps many Tribal and ESJ communities experience. In conjunction with PG&E's Justice40 initiatives, our diversity, equity, inclusion, and belonging efforts will be integrated into our Just Transition Strategy and serve as the umbrella under which training and workforce development flow to ESJ communities.<sup>7</sup>

In 2023, PG&E developed new diversity, equity, inclusion, and belonging "stands," articulating the principles we are committing to achieve together:

- *Diversity Matters:* PG&E has a workforce that reflects the hometowns we serve.
- Equity Delivers: PG&E removes barriers to level the playing field for all coworkers.
- Inclusion Bonds: All coworkers and their ideas matter at PG&E.
- *Belonging Sustains:* Coworkers are known, valued, respected, supported, and connected.

Moving forward, we will be further defining our strategy to achieve these stands and will leverage this collaborative effort to support projects under this loan. We will also fully integrate this work into our True North Strategy, which sets a clear strategic vision toward achieving our purpose.

While we know we have more work to do, we're proud of the recognition we've received for our efforts,<sup>7</sup> including being named by Newsweek as One of America's Greatest Workplaces for Diversity, being selected as one of the Forbes Magazine 2023 Best Employers for Diversity, and earning a 100% score on the 2023 Disability Equality Index.

PG&E's Climate Strategy Report<sup>8</sup> presents a roadmap for our pledge to achieve:

- A net zero energy system by 2040 five years ahead of California's carbon neutrality goal.
- A "climate positive" energy system by 2050 reducing and removing more greenhouse gases than we emit as a company.



• A series of 2030 climate goals to reduce PG&E's operational carbon footprint and enable our customers and communities to reduce their carbon footprints.

It also includes PG&E's expressed commitment to partner with a broad spectrum of stakeholders, including our customers, coworkers, and community organizations, to co-create plans that will help advance equity as we move toward a net zero energy system and beyond. Our plan includes strategies to enable and scale a decarbonized grid to meet both PG&E's and California's climate goals. This includes grid investments to enable additional renewable energy resources for our customers, integrate battery energy storage, enable the proliferation of electric vehicles, and reduce emissions across the energy system by 2030.

PG&E intends to measure and report the incremental impact of these investments in terms of avoided greenhouse gas emissions, considering factors such as the incremental interconnected clean generation on the grid and incremental interconnected EV load and the number of EVs served.

For example, as part of this loan, PG&E will quantify the avoided greenhouse gas emissions associated with transmission projects that enable the interconnection of new renewable energy and storage projects onto the grid. PG&E will do so by comparing the estimated avoided greenhouse gas emissions (measured in metric tons carbon dioxide-equivalent or MT CO2e) per year from the incremental installed capacity of renewable energy generation and storage enabled by the transmission projects to the amount of CO2e that would have been emitted by installed capacity of average greenhouse gas emissions intensity across the California Independent System Operator (CAISO) grid.

#### **Building Climate Resilience**

PG&E is also taking steps to adapt our system to evolving climate hazards while also working to reduce impacts to—and increase the adaptive capacity of disadvantaged and vulnerable communities. PG&E's work to date will be foundational to future loan efforts to build local climate resilience. PG&E conducted a Climate Adaptation and Vulnerability Assessment (CAVA), filed with the CPUC in May 2024. The CAVA explores the likely impacts of climate change and associated physical hazards on PG&E infrastructure and nearby communities. This assessment is a critical step in creating climate adaptation plans that will help PG&E continue to provide Northern and Central California with safe, clean, reliable, and affordable energy in a climate-altered future.

PG&E will build upon the learnings from our CAVA Resilient Together Initiative and process which was based on extensive engagement and collaboration with climate-vulnerable community stakeholders to develop a deeper understanding of the downstream impacts of climate hazards and energy disruptions, as well as to center community resilience in PG&E's climate



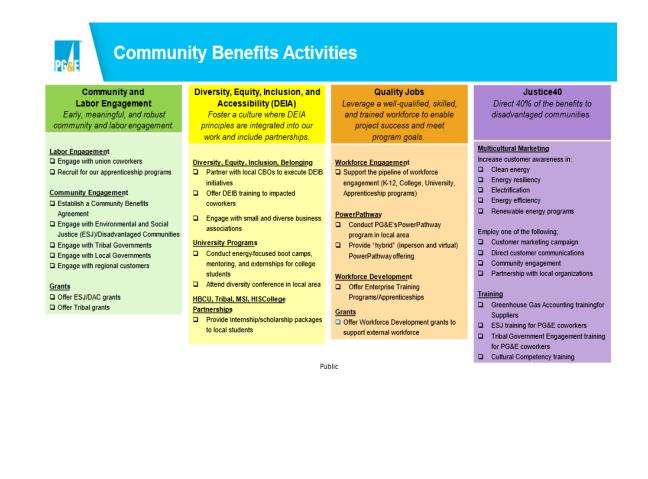
adaptation priorities. The Resilient Together Initiative is built on PG&E's Community Engagement Plan<sup>9</sup>, which was discussed with the joint CPUC-CEC Disadvantaged Communities Advisory Group (DACAG) at the outset of PG&E's CAVA Community Engagement process as a framework for collaboration with stakeholders that represent disadvantaged and vulnerable communities.

PG&E made commitments to the participating community representatives to include and act upon their input in PG&E's final CAVA report alongside the related technical analysis to provide a more complete picture of the adaptive actions PG&E plans to take in the face of climate change.

#### D. Justice 40 / Community Benefits Activities

#### **Community Benefits Activities**

The chart below highlights the menu of activities that reflects the PG&E SMART goals supporting the Community Benefit Plan.





### Anchor Project: North Dublin-Cayetano 230kV Underground Reconductoring Transmission Upgrades

The example below highlights PG&E's North Dublin-Cayetano 230kV Underground Reconductoring Transmission Upgrades and provides both an overview of the anchor project as well as the community benefit activities that will be delivered in the region.



PROJECT POLARIS (DOE TITLE 17 LPO LOAN) ANCHOR PROJECT: North Dublin-Cayetano 230kV Underground Reconductoring Transmission Upgrades

Project Name: North Dublin-Cayetano 230kV Underground Reconductoring Transmission Upgrades Project Description:

 Project proposes to increase the capacity of PG&E's North Dublin-Cayetano 230kV transmission line, increasing system reliability and enabling delivery from renewable energy generation facilities.

Project Timeline: Feb. 2022-Nov. 2025 Project Planning Maturity: In Process PG&E Project Contact: Project Manager,

Transmission & Substation, Bay Area

#### Community Benefits Plan

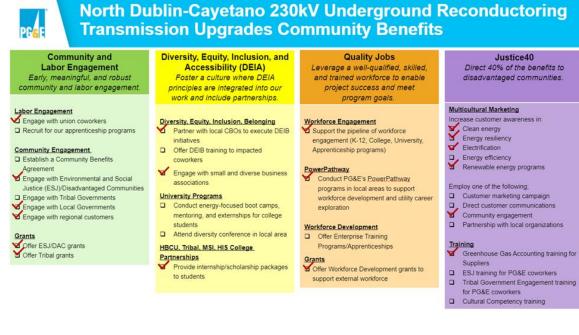
- PG&E's Local Government Affairs team is leading PG&E's communications with local jurisdictions impacted by the project. They will work in coordination with PG&E's broader Community Benefits Plan team to execute local communications and engagement.
- PG&E's technical project team and Community Benefits Plan team are actively working to determine appropriate community benefits for the project from the options in our Community Benefits Plan.
- Quality Jobs:
  - PG&E's Internal Team: 61 individuals with a core team that includes:
  - Project manager, project controls, project engineer, civil engineer, land planner, asset implementation engineer, electrical designer, environmental field specialist, customer outreach specialist, telecommunications engineer, telecommunications project manager, operations engineer, water quality specialist, biologist, cultural resource specialist, maintenance crew, right of way agent, land agent, substation project engineer, and asset strategy engineer.
  - Contract Engineering Team: 6 individuals that includes a project sponsor, project manager, project engineer, QA/QC manager, project coordinator, and two project designers.
  - Contract Construction Team: ~16 individuals that includes a project executive, project director, project manager, project controls, superintendent, safety manager, general foreman, material coordinator, and IBEW craft crews. The number of apprentices is still being determined.
  - Subcontractors: ~20 individuals that includes a cable manufacturer, splicing and termination crews, distributed temperature sensing installer, and traffic control. The number of apprentices is still being determined.





Livermore, CA. Alameda County





### Targeted Community Benefits Identified for the North Dublin Transmission Anchor Project

#### Labor & Community Engagement

- Engage with union contractors and PG&E union coworkers in Alameda County.
- Engage with Environmental and Social Justice (ESJ)/Disadvantaged Communities (DACs) in Alameda County.
- Engage with local governments through activities such as conducting tours of the Anchor project facilities, and ribbon cutting events.
- Engage with regional customers on the positive impacts of these projects, such as improved reliability via new capital infrastructure and improved environmental impacts reducing CO<sub>2</sub> and other emissions from nearby power plants.
- Provide ESJ/DAC and Tribal program support for local community-based organizations (CBOs).

#### Diversity, Equity, Inclusion, and Accessibility

- Partner with local community-based organizations and non-profit organizations to execute Diversity, Equity, Inclusion, and Belonging initiatives and activities.
- · Engage with small and diverse business associations in Alameda County.



• Provide internship opportunities in working with PG&E Anchor project team.

#### **Quality Jobs**

- Invest in workforce training programs supporting the pipeline for the next generation of energy and utility workers. (<u>Pre-apprenticeship</u> <u>Electrician Training</u>)
- Conduct PG&E's Power Pathway program in Alameda County.
- Provide workforce development for CBOs in Alameda County.

#### Justice40

- Increase customer awareness on the opportunities and impacts of the project through PG&E's Multicultural Marketing to ensure equitable promotion of clean energy, energy efficiency, electrification, and renewable energy programs.
- Conduct Greenhouse Gas Accounting training for suppliers and help a designated number of suppliers in Justice40 communities to report greenhouse gas emissions.

#### Notes:

- <sup>1</sup> PG&E Environmental and Social Justice Policy
- <sup>2</sup> CalEnviroScreen 4.0 | OEHHA
- <sup>3</sup> Spectrum 2-1.pdf
- <sup>4</sup> <u>Community Air Protection Program | California Air Resources Board</u>
- <sup>5</sup> PG&E Human Rights Policy
- <sup>6</sup> Giving Locally
- <sup>7</sup> Diversity, Equity, Inclusion & Belonging
- <sup>8</sup> PG&E Climate Strategy Report
- <sup>9</sup> PG&E Climate Adaptation and Vulnerability Assessment