



LETTER AGREEMENT LA 22-31-PGE



PACIFIC GAS AND ELECTRIC COMPANY
LABOR RELATIONS
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MATTHEW LEVY
SENIOR DIRECTOR

INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, AFL-CIO
LOCAL UNION 1245, I.B.E.W.
P.O. BOX 2547
VACAVILLE, CALIFORNIA 95696
707.452.2700

BOB DEAN
BUSINESS MANAGER

November 3, 2022

Mr. Bob Dean, Business Manager
Local Union No. 1245
International Brotherhood of
Electrical Workers, AFL-CIO
P.O. Box 2547
Vacaville, CA 95696

Dear Mr. Dean:

The parties have recently discussed the formation of Pacific Generation LLC (Pacific Generation), the proposed transfer of substantially all of the Company's non-nuclear generation assets to this newly created public utility subsidiary, and the subsequent sale to investors of up to 49.9% of the equity interest in Pacific Generation. Under the proposal, although non-nuclear generation assets will be transferred to Pacific Generation, all power generation employees will remain with Pacific Gas and Electric Company (PG&E or the Company) subject to existing labor agreements. The Company plans to maintain majority control of Pacific Generation, which in turn would own generation assets, and PG&E anticipates no impacts to IBEW Local 1245 represented employees as a result of this transaction.

While there is no contemplation of majority ownership change at this time, this letter agreement is to document that, in the event there were to be a change in control of Pacific Generation (Change in Control Transaction), the parties agree that, subject to the terms of Section 2.3 of the Physical Collective Bargaining Agreement the following conditions shall apply to an agreement resulting in a Change in Control Transaction requiring that the successor entity or Pacific Generation, if it is the successor (Successor Entity) :

- a. Recognize IBEW Local 1245 as the collective bargaining representative of all employees covered by IBEW Local 1245 at the covered facilities.
- b. Execute a written assumption of Section 2.3 of the Physical and Clerical Collective Bargaining Agreements.

To comply fully with its obligation set forth in the preceding sentence, the Company is obligated to include in an agreement to which it is a party or to require or direct Pacific Generation to include, unless inconsistent with any applicable fiduciary duties, in an agreement to which Pacific Generation is a party, the following language in connection with such a Change in Control Transaction.

Successor Entity agrees to recognize, subject to the requirements of federal law and Section 2.3 of the Physical and Clerical Collective Bargaining Agreements between Local 1245 of the International Brotherhood of Electrical Workers, AFL-CIO ("Union") and PG&E, Union as the exclusive bargaining representative of those employees hired by Successor Entity through application of Section 2.3. Successor Entity further agrees to defend and indemnify PG&E against any claim arising out of an alleged failure of Successor Entity, for

any reason, to comply with the foregoing recognition requirement. (the "Successor Clause")

In the event the Company continues to operate and maintain the relevant properties or facilities notwithstanding a Change in Control Transaction, the obligations set forth in the Successor Clause above shall not commence until the Company's role in operating and maintaining the assets terminates. The parties agree that the Union will have a claim against the Company under this letter agreement for the Company's failure to fulfill its obligation to include the Successor Clause set forth above or to require or direct Pacific Generation, unless inconsistent with any applicable fiduciary duties, to include the Successor Clause set forth above, in the relevant agreement(s) in connection with a Change in Control Transaction.

For purposes of Public Utilities Code section 854.2 (k), the parties agree that this agreement supersedes any requirements of Public Utilities Code Section 854.2 with respect to the represented employees.

If you agree, please so indicate in the space provided below and return one executed copy of this letter to the Company.

Very truly yours,

PACIFIC GAS AND ELECTRIC COMPANY

By: Matthew Levy
Matthew Levy
Senior Director

The Union is in agreement.

LOCAL UNION NO. 1245, INTERNATIONAL
BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO

11/04/2022

By: Bob Dean
Bob Dean
Business Manager