



# LETTER AGREEMENT NO. 23-31-PGE



PACIFIC GAS AND ELECTRIC COMPANY  
LABOR RELATIONS  
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OAKLAND, CA 94612  
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INTERNATIONAL BROTHERHOOD OF  
ELECTRICAL WORKERS, AFL-CIO  
LOCAL UNION 1245, I.B.E.W.  
P.O. BOX 2547  
VACAVILLE, CALIFORNIA 95696  
707.452.2700

MATTHEW LEVY  
SENIOR DIRECTOR

BOB DEAN  
BUSINESS MANAGER

September 1, 2023

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:

PG&E and IBEW Local 1245 met in 2023 to discuss the effects of the Company's decision to continue operation of the Diablo Canyon Power Plant ("DCPP") through October 2030 as a result of Senate Bill 846.

This decision may ultimately result in the plant's closure, however the operation of DCPP will continue for several years. During this period, PG&E has the obligation to operate the plant safely and reliably. In order to continue DCPP's safe and reliable operation, PG&E will continue to need highly skilled personnel who are knowledgeable about the plant's operation.

Accordingly, consistent with Senate Bill 846, the parties reached agreement to extend the Base Retention Program (BRP), incentivizing employees to assure that the Company has sufficient trained personnel to meet these obligations and needs. The terms of this agreement are contingent upon CPUC approval. Once approved by the CPUC, BRP payments will be paid for all completed BRP commitment periods and segments, and for all future completed BRP commitments, for all employees who have a signed commitment. This Agreement constitutes a new Agreement and does not cancel the retention program outlined in Letter of Agreement R3-16-22. The final BRP commitment period under R3-16-22 ends on 8-31-23. The first BRP commitment period under this agreement begins immediately on 9-1-23.

The Company and Union agree to the following:

## **1. Base Retention Program**

1.1 Intent – The Company shall continue a Base Retention Program ("BRP") for DCPP employees consistent with this Agreement. It is the intent of the parties that BRP payments are solely intended for PG&E employees who remain employed during the retention periods defined below, who work in a regular active full-time status at DCPP during the retention periods, whose job or job functions will be eliminated as a result of the cessation of operations at DCPP, who work during the entirety of one or more of the retention commitment periods outlined below and sign a BRP Payback Agreement. Also eligible are those PG&E employees who solely support DCPP operations during the retention periods, who work in a regular active full-time status during the retention periods, whose job or job functions will be eliminated as a result of the cessation of operations at DCPP, who work the entirety of one or more of the retention commitment periods outlined below and sign a BRP Payback Agreement.

1.2 Eligibility - Eligible DCPP PG&E employees are defined as those employees represented by IBEW Local 1245 as described in Section 2.1 (recognition clause) of the parties' Collective Bargaining Agreement ("CBA") and section 1.1 of this Agreement. Issues regarding eligibility will be referred to and addressed by the Company's Chief Negotiator and the Union's Senior Assistant Business Manager.

1.3 Employees at DCPP eligible for the BRP

- a. Current Employees
  - (i) All IBEW classifications currently headquartered at DCPD or assigned to DCPD in a permanent capacity (i.e. T300 Outside paint).  
The intent is to have all the IBEW employees who participated in the R3-16-22 continue to be eligible for the retention program in this agreement. Section 1.2 still applies for undiscovered eligibility issues.
- b. Future Employees
  - (i) Employees bidding, transferring, or assigned into DCPD during the term of this Agreement, who are eligible under Paragraph 1.3 a, will also be eligible for the BRP on a pro-rata basis.
  - (ii) Newly hired employees, who are eligible under Paragraph 1.3 a, shall be offered the opportunity to participate in the BRP on a pro rata basis based on their date of hire subject to successfully completing their probationary period. Should the Company not actively offer and send new employees this opportunity, the employee shall maintain the right to commit retro to their hire date during the commitment period they were hired. When an employee is provided the opportunity to participate the employee will have 30 days to submit their commitment. They will only be eligible to receive any BRP payment after completion of their probationary period (CBA Section 106.5) retroactive to their date of hire. Should their date of attaining regular status prohibit them from a timely BRP payment per section 1.6, an off-schedule payment will be made within 45 days of obtaining regular status.

#### 1.4 Employees at DCPD ineligible for the BRP

- a. IBEW PG&E employees who are assigned to DCPD on a temporary or rotational assignment are not eligible to participate in the BRP program.
- b. Contractors, Hiring Hall, and other temporary personnel are not eligible to participate in the BRP program.

1.5 BRP Commitment Periods – The BRP under this Agreement is divided into four commitment periods described below. Employees may accept a single commitment period, multiple commitment periods, or no commitment periods. Company shall provide employees written agreements for upcoming BRP commitments at least 90 days before the BRP Commitment period start date. Employees must submit a signed BRP written agreement to participate in the BRP commitment period no later than 30 days prior to the start date of the BRP commitment period.

- a. BRP commitment period #1 will consist of the following segment:
  - (i) September 1, 2023 - December 31, 2024
- b. BRP commitment period #2 will consist of the following segment:
  - (i) January 1, 2025 – December 31, 2025
- c. BRP commitment period #3 will consist of the following segments:
  - (i) Segment 1: January 1, 2026 – December 31, 2026
  - (ii) Segment 2: January 1, 2027 - December 31, 2027
  - (iii) Segment 3: January 1, 2028 - December 31, 2028
- d. BRP commitment period #4 will consist of the following segments:
  - (i) Segment 1: January 1, 2029 – December 31, 2029
  - (ii) Segment 2: January 1, 2030 – November 1, 2030

#### 1.6 BRP Payment Periods

- a. Eligible employees will receive a BRP payment equal to 25% of the employee's base salary for each segment of each of the commitment period(s). Although individual BRP payments are for being employed in a regular active full-time status during each *segment*, the completion through to the end of the *commitment period* is required to actually earn the BRPs. And as such, not reaching the BRP commitment period end date, constitutes failure to complete commitment timeframe (section 2).
- b. Base salary will be determined by:

Base Salary = **Base Hourly Wage Rate** X **2080 Hours** X **(#Months ÷ 12)**

- **Base Hourly Wage Rate** – Exhibit X of CBA as of hourly rate date in a-d below multiplied by the straight time hours worked and shall exclude all overtime, premiums, differentials, and bonus payment(s). Notwithstanding these base salary requirements, an exception will be made for the Licensed Reactor Operator premium, Senior Licensed Reactor Operator premium, and Firefighter

Advanced Skill premium. These three premiums will be incorporated in the base salary determination when calculating the BRP payments. BRP payments will be excluded from 401(k) and pension (both traditional and cash balance) eligible earnings, therefore will not be considered for purposes of calculating an employee's pension.

- **2080 Hours** – Number of work hours in a year
1. BRP Commitment Period #1 will consist of two separate payments that require commitment through the entire Commitment Period #1.
    - a. Commitment Period #1 covers 9/1/2023 through 12/31/2024.
      - i. Pay period #1 covers 9/1/2023 -12/31/2023 and will use the hourly wage rate as of 12/1/2023.
      - ii. Pay period #2 covers 1/1/2024 – 12/31/2024 and will use the hourly wage as of 12/1/2024.
    - b. Both of these payments will be paid in March 2025 and no later than May 31, 2025.
  2. BRP Commitment Period #2 covers 1/1/2025 through 12/31/2025
    - a. Will use the hourly wage rate date of 12/1/2025
    - b. Will be paid in March 2026 and no later than May 31, 2026
  3. BRP Commitment Period #3 Covers 1/1/2026 through 12/31/2028 segments will be paid on the following schedule:
    - a. Segment #1 (will use the hourly wage rate date of 12/1/2026) March 2027 and no later than May 31, 2027
    - b. Segment #2 (will use the hourly wage rate date of 12/1/2027) March 2028 and no later than May 31, 2028
    - c. Segment #3 (will use the hourly wage rate date of 12/1/2028) March 2029 and no later than May 31, 2029
  4. BRP Commitment Period #4 covers 1/1/2029 through 11/1/2030 segments will be paid on the following schedule:
    - a. Segment #1 (will use the hourly wage rate date of 12/1/2029) March 2030 and no later than May 31, 2030
    - b. Segment #2 (will use the hourly wage rate date of 10/1/2030) March 2031 and no later than May 31, 2031
  5. **Overtime True-up Payment** - Upon payment of the BRP payment, the Company will recalculate an employee's regular rate for overtime purposes to include the BRP payment consistent with Federal law<sup>1</sup>. This overtime true up will be paid separately from the BRP payment. The Company will endeavor to make the overtime true up payment as quickly as administratively possible but not later than 60 days following the BRP payment.

## 2. Failure to complete commitment timeframe

- 2.1 An employee who voluntarily terminates employment at DCP, retires, accepts another PG&E job outside of DCP (through bid and transfer per Title 205 or otherwise, see section 8.4 of this agreement), or is discharged by the Company for cause prior to the completion of a commitment period, will reimburse the Company for the gross amount of all BRP segment payments received in the commitment period. The BRP Payback Agreement will contain provisions to facilitate how repayment will be accomplished.
- 2.2 Employees who take a Company-approved leave, Union leave, or a legally protected leave of absence will not be required to repay the Company for BRP segment amounts already paid and will be eligible for a pro-rata BRP payment for the period in which the leave commences. If the employee subsequently returns to work in a regular capacity at DCP, the employee will be entitled to a pro-rata portion of any remaining future BRP payments. Individuals who are on a leave of absence for twelve (12) weeks or less in a retention year will be paid a full non-pro-rated retention bonus. Individuals who are on a leave of absence for greater than twelve (12)

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<sup>1</sup> The True Up will be calculated consistent with the federal formula defined in 29 C.F.R. § 778.209(b) and 29 C.F.R. § 778.101. However, specific to this agreement only, the Company will calculate the True Up (consistent with the Company's practice during the prior agreement) by not applying credits for other non-FLSA premiums paid toward the true-up due; all overtime and double time paid under the Collective Bargaining Agreement, a Letter Agreement or a Memorandum of Understanding will be trued up regardless of whether the employee actually performed 40 hours of work in that week (includes credit toward time worked for sick leave and vacation) and all overtime will be trued up at the federal rate of .5, except double time, which will be trued up at the rate of 1.0.

weeks, **which is not legally protected**, will receive a pro-rated BRP adjusted based on the portion of their leave of absence beyond twelve (12) weeks. The overtime true-up payments made for individuals who receive a pro-rated BRP will be calculated using the number of weeks in which they earn the BRP as the divisor rather than using 52 weeks.

- 2.3 Similarly, upon the death of an employee or if the employee is laid off for lack of work during a commitment period, he or she will not be required to repay the Company for BRP segment amounts already paid. Further, such employees will also receive a pro-rata BRP payment for the partial year prior to their death or layoff from the Company.
- 2.4 Finally, in the event DCPD ceases operations prior to the expiration of either commitment period or for any reason (e.g., order from a government agency, management decision, etc.) or if an employee's services are no longer required for any other reason not addressed elsewhere in this Agreement (e.g., Title 206, 306, or 19 implications), employee will not be required to repay BRP amounts already paid and such employees will also receive a pro-rata BRP payment for the partial year worked prior to the last day worked at DCPD by such employee.
- 2.5 Under no circumstances in the foregoing scenarios, or any other similar scenario, will an employee be entitled to receive any remaining BRP payments scheduled beyond the last date of employment or last day worked at DCPD by employee.

### **3. Severance Benefit**

Severance benefits will be provided pursuant to the parties' Collective Bargaining Agreement in effect at the time of severance.

### **4. Joint Oversight and Flexibility Committee**

- 4.1 Company and Union agree to continue the Joint Oversight and Flexibility Committee comprised of five (5) core representatives selected by the Union and five (5) core representatives selected by the Company. Observers, guest speakers, or other participants shall be allowed to attend as necessary.
- 4.2 The Committee will address all unanticipated or implementation issues arising from the closure of DCPD and/or this Agreement. This Committee will also be responsible for attempting to address and resolve disputes arising from this Agreement prior to a grievance being filed.
- 4.3 The Committee will also discuss a recommended workforce flexibility plan. These plans will address flexibility issues such as cross crafting, work schedules, job assignments and work rule flexibility, and modifications to training programs. The Committee will also be charged with reviewing Exhibit XVI of the CBA and developing solutions to address contracting issues that may develop at the plant.
- 4.4 Once the plans are agreed to, the Committee will be responsible to review and recommend amendments and updates. Any modifications to the CBA will require a letter of agreement signed by the Company's Chief Negotiator and the Union's Business Manager.

### **5. Joint Decommissioning Oversight Committee**

Company and Union agree to continue the Joint Oversight and Flexibility Committee comprised of four (4) core representatives selected by the Union and four (4) core representatives selected by the Company. The Decommissioning Oversight Committee will continue to discuss future plans for decommissioning as they have in the past, while working toward the Hybrid Decommissioning Model (PG&E Employees and Contractors) including: work normally performed by BU employees vs contractor work, retraining opportunities, and any potential need to modify the parties' CBA as a result of those plans.

### **6. Enhanced Placement Options and Relocation (Section 206.8)**

- 6.1 At the end of the employee's assignment and BRP commitments, as determined by the Company, the employee will have the option for a six-month paid job search while seeking internal employment (deducted from severance if job not found). Employees who must relocate to secure an employment opportunity will be

reimbursed for moving expenses as defined in Section 206.8 of the Physical Agreement to a maximum of \$5,000.

6.2 The Company agrees to meet and confer with the Union six months prior to expiration of each commitment period and prior to the closure of DCPD to discuss whether open job requisitions will be held and any Title 206, 306, or 19 implications.

## **7. Wage Protection**

Employees who complete their assignment and all the BRP commitment periods, as determined by the Company, and successfully bid, transfer or are displaced into a lower paying regular position in another department or another line of progression, will maintain their rate of pay for up to three years or until such time as the rate of pay in the new position is equal to or greater than that of the employee's frozen rate of pay, whichever comes first. If at the end of three years, an employee is still paid above the top of the rate for the classification held, the employee will be placed at the top of the rate for that classification. During the time that an employee's pay remains above the wage range of the position into which he/she bid, the employee will not receive General Wage Increases or Progressive Wage Increases.

## **8. Miscellaneous Provisions**

8.1 The parties agree to meet and confer six months prior to the expiration of each commitment period to discuss whether any modification(s) to the BRP program is necessary. Additionally, in the event of future judicial or legislative changes, or CPUC orders affecting this Agreement, the parties agree to a limited re-opener to negotiate changes specific to the judicial, legislative, or CPUC requirements.

8.2 In the event that the Company agrees with ESC Local 20 or SEIU-USWW on a BRP Agreement that has more favorable economic provisions than those contained in this Agreement, then IBEW shall be afforded the option to replace the provision(s) of this Agreement with the corresponding, more favorable provision(s) from the ESC or SEIU Agreement.

8.3 Nothing in the BRP or this Agreement shall be construed as (i) a requirement to retain any employee for any period of time, (ii) a restriction of the Company's right to layoff, transfer or reassign, discipline or discharge, or take any other action in accordance with the terms of the parties' CBA.

8.4 Employees currently committed to a BRP commitment period will only be awarded bids under the following circumstances:

- a. Employee bids to classifications/assignments that also qualify for the BRP retention program (i.e., IBEW positions inside DCPD).
- b. If an employee is a successful bidder under the parties CBA to classifications/assignments that do not qualify for the BRP retention program (i.e., IBEW positions outside DCPD) that position will only be awarded after all payments already earned under an incomplete BRP commitment period are repaid to the Company, or the employee has voluntarily executed a BRP repayment obligation agreement with PG&E. The employee will have 5 business days to complete either of these actions or the employee's bid will be declined, and the bid process will move on to the next eligible bidder.

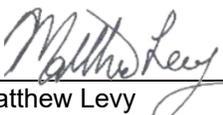
## **9. Entire Agreement**

This Agreement sets forth the entire agreement between the parties, and fully supersedes any prior agreements or understandings regarding the subject matter of this Agreement, except any confidentiality or non-disclosure agreements which are incorporated herein by reference. Any modification to this Agreement must be in writing and signed by both the Company's Chief Negotiator and the Union's Business Manager. The terms of this Agreement will not expire and shall survive the expiration of any future CBA(s) between the parties.

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 & ELECTRIC COMPANY

By:   
Matthew Levy  
Senior Director

The Union is in agreement.

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

  
By: \_\_\_\_\_  
Bob Dean  
Business Manager

Sep 11, 2023  
\_\_\_\_\_, 2023