REPORT TO CALIFORNIA LEGISLATURE REGARDING FILSINGER ENERGY PARTNERS

OPERATIONAL OBSERVER OF PACIFIC GAS & ELECTRIC TO MITIGATE WILDFIRE RISK AND PUBLIC SAFETY POWER SHUTOFF EVENTS

June 30, 2026

CONTENTS

1 EXECUTIVE SUMMARY

This report is being provided pursuant to agreement number 6152-2019 ("Operational Observer Agreement") as amended on June 27, 2025, between the California Governor's Office of Emergency Services ("Cal OES") and Filsinger Energy Partners ("FEP"). This agreement continued funding of an operational observer for Pacific Gas & Electric ("PG&E") through June 30, 2026. This report complies with the requirements of the Operational Observer Agreement and focuses on PG&E activity during the period from June 2025 through May 2026 ("Reporting Period").

As part of the Operational Observer Agreement, FEP acts as PG&E's operational observer through an engagement with the California Governor's Office ("Governor's Office"), including Cal OES.

This report provides information specific to PG&E in the following areas: (1) activities undertaken, (2) specific issues identified in the wildfire reduction processes, (3) qualitative and quantitative information on improvements to the wildfire risk reduction processes resulting from these actions, (4) handling and coordination of new business[1] requests across its service territory, and (5) all work planning and execution processes related to new business requests and wildfire risk.[2]

2 OPERATIONAL OBSERVER BACKGROUND

FEP started operational observation of PG&E in May 2020. It was originally anticipated the observational role would continue through PG&E's emergence from bankruptcy. Upon emergence in June 2020, FEP's contract was extended through September 2020 to continue in an operational observer role with a reduced scope primarily focusing on the 2020 wildfire Public Safety Power Shutoff ("PSPS") season. After September 2020, the observer contract was extended multiple times and currently runs through June 30, 2026. As required by the Legislature, the operational observer focuses on the following relative to PG&E: (1) activities undertaken, (2) specific issues identified in the wildfire risk reduction processes, (3) qualitative and quantitative information on improvements to the wildfire risk reduction processes resulting from these actions, (4) handling and coordination of new business requests across its service territory, and (5) all work planning and execution process related to new business requests and wildfire risk.

[1] New business consists of energization and establishment of new electric and gas services. The process begins with the customer application and is followed by PG&E's actions to estimate/design, permit, schedule, construct, and provide energization to the customer.

[2] Work planning and execution processes include those that involve a) energization of new customers and b) repairs to existing assets for the purpose of remediation of the risk of wildfire which the damaged assets could cause. Steps include planning, scheduling, and execution of the work.

3 FEP 2025-2026 OPERATIONAL OBSERVER ACTIVITIES FOR PG&E

FEP continues to perform its operational observer function at PG&E. FEP's authorized activities include (1) attending portions of meetings of the board of directors and management meetings related to wildfire risk and public and workforce safety, (2) conducting field visits for all authorized activities, (3) observing and participating in meetings with PG&E leadership and subject matter experts for all authorized activities, (4) reviewing documentation for all authorized activities, (5) observing handling and coordination of new business requests across its service territory and all work planning and execution processes related to new business requests and wildfire risk mitigation, and (6) undertaking any other tasks reasonably required.

During the Reporting Period, FEP attended and observed hundreds of PG&E meetings. This included standing meetings with senior leaders, key operational leaders, operational teams, and key committees to develop independent observations regarding PG&E's planning and execution of its wildfire risk mitigation efforts, PSPS events, and new business processes. These meetings were supplemented by a review of PG&E documentation related to these activities, followed by 'deep dive' meetings with PG&E to facilitate a detailed discussion of particular issues and activities such as vegetation management, system inspection program changes, and new business processes.

In addition to meetings and review of internal documents, FEP performed 33 site visits during the Reporting Period that included numerous interviews with subject matter experts to review a variety of planned, ongoing, and active programs. These programs included system hardening, vegetation management, system inspections, electric operations, and new business. The site visits augmented information gathered from the meetings attended and documents reviewed by providing perspectives on real-world conditions.

Additionally, an emergent issue of substations arose during the last reporting period and was added as an area of focus. Substations were a particular area of emphasis during the Reporting Period. Relatedly, FEP requested and reviewed internal documents, held meetings with leadership and subject matter experts, and reviewed the substation maintenance practices and standards.

4 PG&E ACTIONS AND KEY PROGRAM UPDATES

4.1 PSPS Events and Mitigations

PG&E had two PSPS events during the Reporting Period. The summary statistics are included below:[3]

[3] Source: PG&E.

Event Date	6/19-22/2025	5/17-18/2026
Customers Notified	18,730	7,440
Customers De-energized	16,223	4,583
Counties De-energized	19	15
Tribes De-energized	1	2
Customers Mitigated [A]	61,492	32,276
Transmission Circuits De-energized	22	0
Distribution Circuits De-energized	60	31
Damages/Hazard Count [B]	2 damages 1 hazard	3 damages 1 hazard

[A] The number of customers that were not de-energized as a result of mitigations such as sectionalizing devices, distribution switching, temporary generation, microgrids, permanent backup generation, and transmission switching.

[B] Asset damages or hazards (e.g., wire down, fallen pole) identified during post PSPS event restoration patrols that could have caused an ignition but likely did not occur due to the PSPS event.

In addition, PG&E continued to mitigate PSPS impacts by coordinating with cities and counties by opening community resource centers to provide shelter, snacks, water, device chargers, ice, and blankets to impacted customers. The related summary is included below.[4]

Event Date	6/19-22/2025	5/15-16/2026
Community Resource Centers	20	6
Visitors (total)	14,060	1,252
Visitors who stayed on-site	98	0

4.2 Wildfire Mitigation Plan Filing

PG&E submitted their 2026-2028 Base Wildfire Mitigation Plan ("WMP") on April 4, 2025. On June 27, 2025, The Office of Energy Infrastructure Safety ("OEIS" or "Energy Safety") issued a revision notice to PG&E. There were 12 critical issues identified in the following categories: General (1 issue), Risk

Source: PG&E.

Assessment and Mitigation Selection (1 issue), Grid Design, Operations and Maintenance (5 issues), and Vegetation Management (5 issues).

PG&E responded to the revision notice on July 28, 2025. On September 9, 2025, the 2026-2028 Base WMP Revision 2 (R2) was published. Energy Safety approved it on February 5, 2026. A comparison of key changes between Revision 3 (R3)[5] and the 2023-2025 WMP (R8) is included below.

- **Vegetation Management**: Consolidation of multiple programs (Focused Tree Inspections, Tree Removal Inventory, Vegetation Management for Operational Mitigations) into a single routine distribution inspection program to produce more consistent performance, cost savings, and improved customer experience with fewer customer visits.
- **System Inspections**: Consolidation of transmission aerial and ground-based inspections into a single transmission detailed inspection program, with the addition of drone-based aerial scan inspections for distribution to improve visibility of the highest-risk locations.
- **Continuous Monitoring**: Advancing real-time monitoring capabilities to detect potential ignition causes and alert first responders prior to or immediately following ignition events, including the piloting of new grid sensor technologies.
- **Risk-Informed Decision Making**: Updating the distribution and transmission risk models to their latest versions to improve identification of the highest-risk locations and guide both operational and long-term mitigation planning.
- **System Resilience**: Continued expansion of the undergrounding and covered conductor programs in PG&E-designated high fire-risk areas ("HFRA"), alongside ongoing deployment of remote grid solutions to permanently reduce ignition risk.
- **Wildfire Resilience Partnerships**: A new focus on community and forest fire resilience, including fuels management, expanded fuel breaks beyond utility rights-of-way, and co-funded community wildfire defense projects.

4.3 Ignitions, Fire Size and Fire Suppression

4.3.1 Ignitions

The chart below shows California Public Utility Commission ("CPUC") reportable ignitions[6] in the High Fire Threat District (HFTD)[7]/High Fire Risk Area (HFRA)[8].

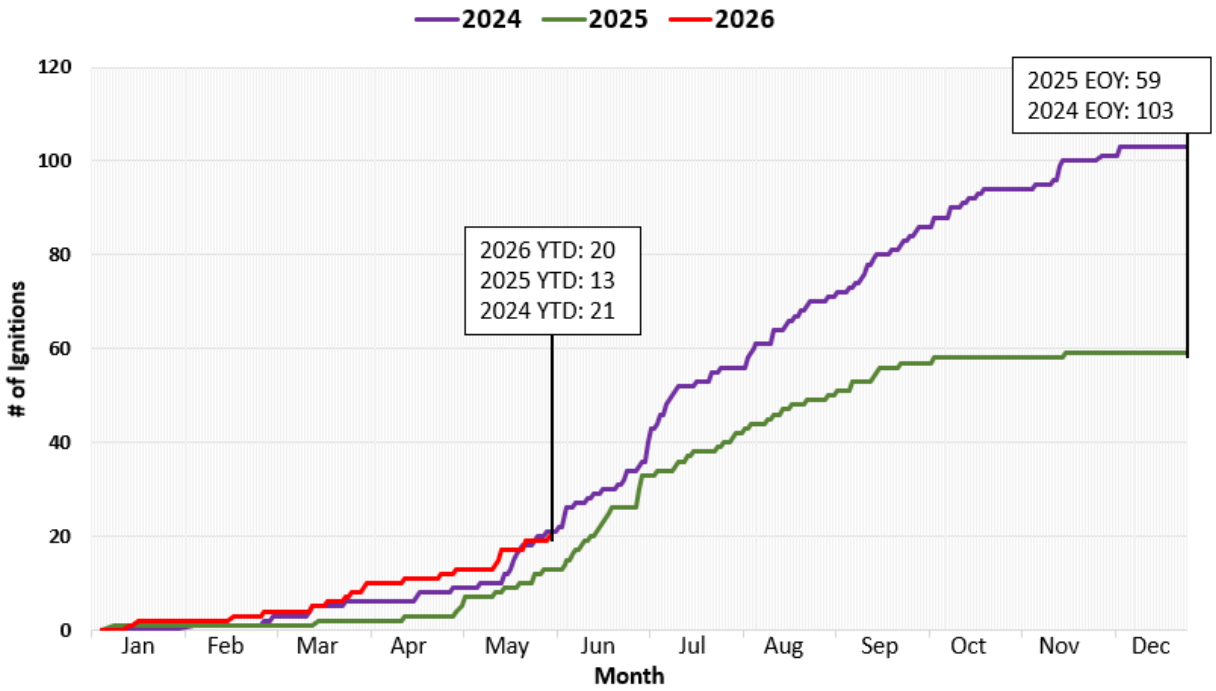
[5] PG&E submitted R3 on December 30, 2025 as non-substantive errata; the two versions are substantively identical per PG&E's characterization.

[6] Reportable ignitions are defined as fire ignitions started by utility equipment that traveled more than one linear meter from the ignition point.

[7] HFTD: Areas adopted by the California Public Utilities Commission (CPUC) with elevated or extreme wildfire risk and in proximity to communities at risk. (Source: PG&E Utility Standard TD-1464S, 12/17/2022; https://www.pge.com/assets/pge/docs/about/doing-business-with-pge/TD-1464S-Rev-8.pdf).

[8] HFRA: A purpose-built map created by PG&E for use in scoping Public Safety Power Shutoff events identifying areas where risk factors for the potential of catastrophic fire from utility infrastructure ignition during offshore wind events is

Number of CPUC Reportable Fire Ignitions in HFTD + HFRA[9]



PG&E established the HFRA layer "… to cover areas where HFTD does not fully represent the ignition risk during a typical wind event that drives PG&E's PSPS activation."[10]

In 2024, PG&E reported 532 ignitions to the CPUC; 103 (~19%) occurred in HFTD/HFRA. In 2025, PG&E reported 412 ignitions to the CPUC; 59 (~14%) occurred in HFTD/HFRA. This is a reported record low for PG&E – approximately 5% lower in the number of ignitions that occurred in HFTD/HFRA. This trend could partially be attributed to milder fire weather behavior in 2025 compared to 2024.

Through May of 2026, PG&E reported 20 HFTD/HFRA ignitions – seven more than what was experienced during the comparative time period in 2025.

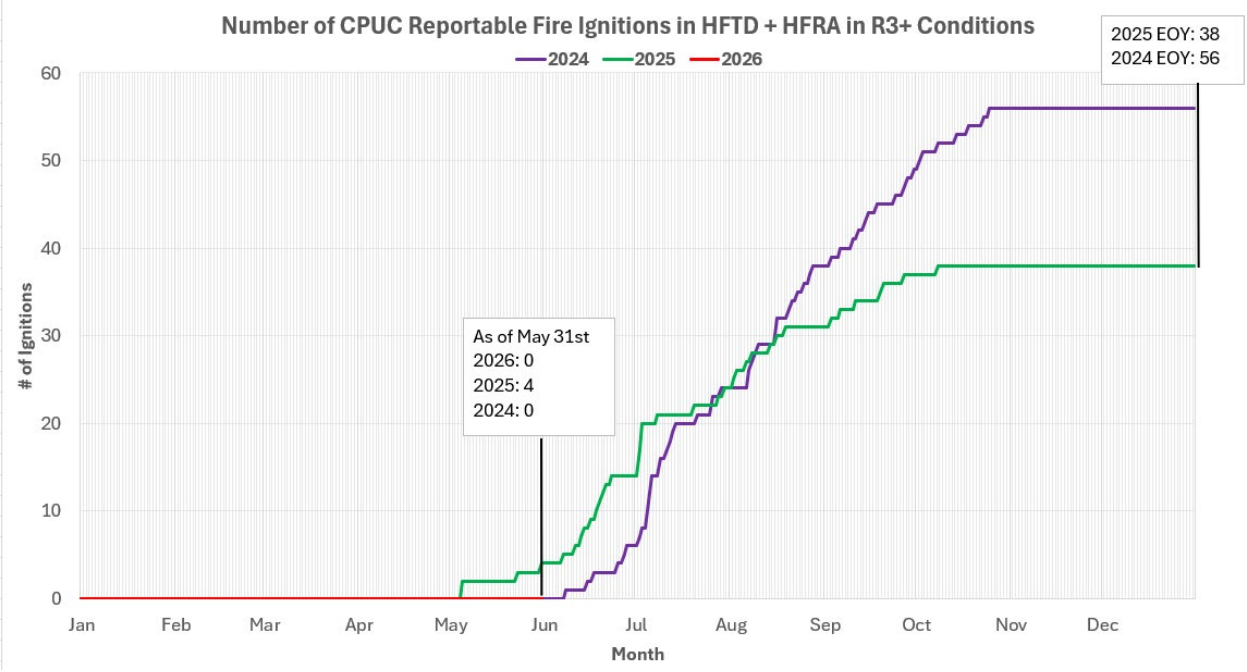
The following chart includes California Public Utility Commission ("CPUC") reportable ignitions in the HFTD/HFRA with R3+ conditions.[11]

higher. (Source: PG&E Utility Standard TD-1464S, 12/17/2022; https://www.pge.com/assets/pge/docs/about/doing-business-with-pge/TD-1464S-Rev-8.pdf).

[9] Data extracted from PG&E Ignitions Dashboard (June 2, 2026).

[10] Source: Pacific Gas and Electric Company, OEIS Data Request DRU14799-Case-EUP-SB 884, 12/16/2024.

[11] R3+ condition refers to Fire Potential Index (FPI) ratings at or above the R3 level, indicating high to critical or extreme fire danger. FPI is a "rating to determine the risk of fire and its likely behavior. (Source: PG&E Utility Standard: TD-1464S).



Through May of 2026, PG&E reported no HFTD/HFRA ignitions in R3+ conditions, compared to four in during the comparative time period in 2025.

4.3.2 Fire Size

PG&E also reports ignitions relative to fire size to the CPUC on an annual basis. In 2025, ~95% of the reportable ignitions resulted in a fire size less than 10 acres, with ~50% of these ignitions being three meters to a quarter acre in size. This fire size distribution is relatively consistent with what was reported in 2024.

The year-to-date 2026 data was not available as this metric will be reported to the CPUC following year-end close.

4.3.3 Fire Suppression

PG&E also reports ignitions relative to fire suppression to the CPUC on an annual basis. In 2025, ~80% of the reported ignitions were suppressed by Fire Agencies[12], compared to ~84% in 2024 (an approximately 4% reduction).

The year-to-date 2026 data was not available as this metric will be reported to the CPUC following year-end close.

[12] Fire agencies include CAL FIRE and local fire departments.

4.4 PG&E Independent Actions

During the Reporting Period, the operational observer continued to provide PG&E and the Governor's Office substantial independent observations regarding PG&E's processes and functions regarding wildfire mitigation programs (e.g., vegetation management, system inspections, system hardening), new business and work process execution, and various operational mitigations to reduce wildfire risk and the potential impact on reliability.

PG&E took or is taking several independent actions to implement modifications to its programs, including the following:

4.4.1 Vegetation Management

The vegetation management ("VM") team implemented consolidated inspection models to combine several overlapping inspection programs including Distribution Routine Patrol, Focused Tree Inspections, Tree Removal Inventory, Vegetation Management for Operational Mitigations, and a Distribution Second Patrol (for HFTD) into one comprehensive program. The new model enhances efficiency and safety while ensuring rigorous inspections in the highest risk areas. It also addresses customer fatigue from numerous touchpoints from the former programs.

In 2026, the VM organization introduced the use of backpack Light Detecting and Ranging (LiDAR) technology to assist with consolidated inspections by capturing highly accurate data regarding individual trees and their proximity to overhead conductors. Newly updated procedures also allow for the use of remote sensing technologies (e.g., satellite imagery) to collect data to verify "clear" spans (spans with no vegetation strike risk) thereby reducing expense and increasing the safety of individuals who normally would have been physically present in remote areas to inspect spans known to have no vegetation.

The VM program addressed/worked numerous worst performing circuits identified by Electric Operations in a "Reliability Blitz" program in Q3 and Q4 2025. One hundred fifty circuits were identified in the effort (including but not limited to vegetation), then narrowed down to specific zones with a high number of Customers Experiencing Multiple Interruptions ("CEMI"). Numerous crews were diverted from planned VM work to perform the vegetation-related reliability work. The total spend associated with the blitz was capped at $30M for all costs including construction, and the reliability blitz resulted in one System Average Interruption Duration Index ("SAIDI")[13] minute of benefit from the vegetation work and four minutes from the Electric Corrective ("EC") "A tags" and "X tags" [14] from the aerial inspections which resulted in five SAIDI minutes of savings in 2025.

[13] SAIDI: A reliability index commonly used by electric power utilities; based on the average amount of time customers experience a sustained outage (being without power for more than five minutes) in a given year.

[14] EC tags are used to identify and prioritize equipment conditions needing repair. "A tags" require response by taking corrective action immediately, either by fully repairing or by temporarily repairing and reclassifying to a lower priority. "X tags" are used to identify equipment conditions that have a high potential impact to safety or reliability but do not pose an immediate risk, requiring corrective action within seven days.

In 2025, vegetation caused outages and ignition trends were well below previous years' results. Cumulative reportable ignitions in HFRA/HFTD for 2025 totaled 59 (compared to 103 in 2024). Significant storm related outages affected customers in late December 2025. Over 1,100 outages caused by vegetation occurred starting on December 23, which is equivalent to approximately five months' worth of outages during normal weather. The total number of outages attributed to all causes during the same period exceeded 3,000.

4.4.2 System Inspections

As part of the 2026-2028 WMP, PG&E is "consolidating the transmission inspection initiatives by integrating the aerial and ground-based methods under a single Transmission Detailed Inspection Program, aligning it with the distribution inspection activity".[15] For distribution, drones are utilized to enhance visibility of the highest-risk locations. PG&E is conducting a pilot comparing ground-based inspections with aerial drone inspections to determine the advantages and disadvantages of each inspection method. Infrared inspections are utilized as needed in areas of emerging concern.

As a matter of efficiency, PG&E has increased the utilization of ground inspection teams to address minor maintenance tasks at the time they are identified. This eliminates the need to enter and process a corrective tag and facilitates repair of the identified deficiency in a timely manner.

4.4.3 Operational Mitigations

Substations

PG&E experienced a fire and subsequent outage at its Mission substation in San Francisco on December 20, 2025. A third party direct cause evaluation was published on May 5, 2026 to "provide… background on the event and status of the actions and assessments related to determining the cause of the arc-flash and subsequent fire event".[16] Excerpts from the report include the following:

- "The most likely direct cause of the arc-flash event within the Incident Cubicle is surface breakdown of an insulating board…"
- "The most likely failure mechanism is degradation of surface insulation of the insulating board, likely assisted by moisture and surface contamination."

The root cause investigation is being conducted by the same third party but has not yet been published.

As a result of the Mission substation fire and subsequent outage, PG&E initiated "enhanced inspections and monitoring" of the other substations in San Francisco and Oakland. The enhanced inspections were

[15] PG&E Wildfire Mitigation Plan R3, 2026-2028, Volume 1 of 2, page 37.

[16] Exponent, "SF X (Mission) Substation Outage Event – December 20, 2025 – Direct Cause Evaluation", published May 5, 2026.

much more detailed than the routine checklist that has historically been used. Enhancing monitoring and situational awareness includes using infrared inspections, electrical testing, and targeted sensors.

PG&E is in the process of updating its substation inspection documents to apply learnings from the Mission event.

4.4.4 Situational Awareness

PG&E continued advancement of its real-time continuous monitoring system. A physical Continuous Monitoring Center ("CMC") was placed in service in San Ramon, CA, which incorporates the primary technologies of Gridscope, Early Fault Detection ("EFD"), Distribution Fault Anticipation ("DFA"), line sensors and SmartDetect. The primary benefits of continuous monitoring ("CM") are identification of issues on the system as they occur, reducing risk from equipment failure and vegetation strikes, increasing the efficiency of maintenance activities, and aiding restoration during PSPS and EPSS ("Enhanced Powerline Safety Settings") outage events.

From June 2025 through May 2026, the CMC has delivered the following benefits, based on PG&E's estimates.

- Prevented 23 ignitions with significant spread potential in HFTD
- Proactive CM interventions prevented 1,194 unplanned outages due to asset conditions detected
- Approximately 11 million unplanned customer outage minutes avoided

PG&E's estimated financial benefits include the following.

- Two hundred thirty one thousand unplanned outage response minutes avoided (approximately $1 million in emergency response expense)
- Approximately one thousand asset repairs performed prior to asset failure (approximately $9 million in lower capital unit repair cost)
- Approximate financial benefits to PG&E customers for avoided outages was $35 million
- Simulated wildfire spread modeling estimated the CM ignition interventions avoided $20 million to $44 million in structure damage
- Fifty-five energy theft locations were identified

Other potential benefits of CM include proposing the conversion of existing tags to continuous monitoring status if the applicable sensor data indicates the condition does not have ignition potential and does not lead to near-term failure (especially poles) and supporting the end-to-end maintenance process that is currently being developed and assessed as a 2026 strategic initiative.

4.4.5 Risk Mitigation

Risk Models

Risk models are used to inform risk-prioritized workplans that will provide the greatest risk reduction. Wildfire Distribution Risk Model ("WDRM") version 4 and the Wildfire Transmission Risk Model ("WTRM") version 2 have been in use since 2024. PG&E is currently developing next versions of both models.

Wildfire Risk Governance Steering Committee

PG&E revised the structure of its internal Wildfire Risk Governance Steering Committee ("WRGSC") in March 2026. This governance committee originated in 2020, with the purpose of (1) making decisions that prevent catastrophic wildfires, mitigate wildfire risk, and reduce customer impact related to wildfire safety measures, and (2) drive decisions to ensure PG&E obtains its safety certificate in a timely manner.

The revised WRGSC charter includes the requirement for all voting members to be in attendance for decision-making meetings including defined/restricted allowance for delegates.

Wildfire Resilience Partnerships

PG&E continued to expand its Wildfire Resilience Partnerships with grassroots organizations with the potential to integrate local knowledge to reduce wildfire consequence. Examples include (1) a grassroots organization that has been successful in acquiring funding for gravel to fire-harden homes, and (2) organizations that are creating fire breaks and safe areas to mitigate the impact of wildfires. PG&E is looking to provide funding for projects such as these as a continued effort to mitigate wildfire.

4.4.6 System Hardening

Electric Undergrounding Plan

PG&E's Electric Undergrounding Plan ("EUP") is being developed in coordination with multiple ongoing regulatory proceedings, including the 2027 General Rate Case ("GRC"), and the Risk Based Decision Making Framework. The EUP is intended to transition undergrounding funding from the GRC framework to the Senate Bill ("SB") 884 (McGuire, 2023) framework beginning in 2028, subject to approval by both the OEIS and the CPUC.

Related to SB 884, the CPUC issued a scoping memo regarding the EUP on April 10, 2026. One element of the scoping memo deals with the calculation of benefit-cost ratios, which is a core input to project selection and overall portfolio design. PG&E is currently assessing this scoping memo and its potential impact on the scale, timing and composition of its undergrounding plan. PG&E has indicated that its plan will include the intent to underground 5,000 miles to reduce wildfire and reliability risk across its service territory. As outlined in the scoping memo, a final decision on the Phase 1 Joint IOU Application is expected in November 2026.

PG&E is piloting a "Ground Level Distribution System (GLDS) / Minimum Cover Distribution System (MCDS)." This is a recent technology that produces most of the benefits of traditional undergrounding but at a lower cost. GLDS is surface-mounted; MCDS uses the same technology but is buried just below the surface. PG&E has completed two pilots to date. The Electric Power Research Institute ("EPRI") has completed Phase 1 testing for GLDS.

4.4.7 New Business

One of the key goals established by PG&E for new business in 2025 was completion of 12,188 construction jobs by year-end. This can be interpreted as connecting this number of customers to the electric grid. The actual number of completions was 12,591 — thus achieving the year-end goal.

SB 410 (Becker, 2023) enables utilities to file for incremental funding for energization costs above the approved GRC amount to cover related costs from 2023-2026. Relatedly, the CPUC issued Decision 24-09-020, "Order Instituting Rulemaking ("OIR") to Establish Energization Timelines", on September 17, 2024. Pursuant to Ordering Paragraph 18 of the OIR, PG&E issued their second biannual report on September 30, 2025.

A summary of the average energization calendar-days included in this second bi-annual report, compared to the targets established by the OIR, is included in the table below.

Energization Days Reported in Bi-Annual Report – Energization OIR[17]

September 2025

Category	Target (Calendar Days)	Average Energization (Calendar Days)	Projects Energized through 06/30/2025
Rule 15 – distribution line extensions	182	None reported	None reported
Rule 16 – service line extensions	182	118	6,718
Rule 29 – electric vehicle infrastructure	182	113	86
Combined electric rules 15 & 16	182	117	2,119
Combined electric rules 15 & 29	182	None reported	None reported
Main panel upgrades	30	34	27,742

5 AREAS FOR CONTINUED FOCUS

The primary areas of focus for the remainder of 2026 and Q1 2027 include (1) development of the next versions of the WDRM and the WTRM, (2) impact of SB 884 (McGuire, 2023) and the related cost-benefit

[17] Source: https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/infrastructure/energization/pge-biannual-energization-report-public_20250930.pdf.

ratio to PG&E's undergrounding plan, (3) substation inspections and maintenance, (4) the development of PG&E's end-to-end maintenance process, and (5) forecasted load growth.