A Turning Point for PG&E and California

California is one of the most extraordinary places in the world, a place of ambition, innovation, resilience and possibility. And the energy system matters deeply to that future.

At PG&E, we understand the responsibility we carry. We serve millions of Californians and power homes, hospitals, schools, farms, businesses, and infrastructure that keep this state moving. That responsibility is essential. And we take it seriously.

And this is a serious moment. But I believe it can also be a turning point.

Over the last six years, all of us at PG&E have worked with focus and urgency to transform this company. We've changed more than many people realize, and our performance has improved in ways that matter.

We're in the fourth year of no major wildfires caused by our equipment.

We've delivered five electric rate decreases since January 2024.

We've improved electric reliability by more than 30% over the past two years.

And, we are partnering with world-class innovators to modernize our energy system and how we operate it.

Those are real results, delivered by my coworkers. They prove that PG&E can change. They prove that we are changing. And they give me confidence in what's possible.

So why do I say this is a serious moment?

Well, we are unable to fund the continued transformation at our current pace.

Why is that?

Here's the fundamental issue:

PG&E collects money from customers through rates each year. We use nearly all of that operating and maintaining the existing gas and electric equipment. But that is not enough to build new equipment, to keep people safe and energy reliable. That's why we must raise billions more every year.

The people who fund building that equipment, banks and investors, face more risk here. Because of the way California law assigns the cost of wildfire to utility customers and investors, risk goes up for both of them, unlike in any other state.

When risk goes up, lenders charge more. And because customers ultimately pay for the things we build for them, higher interest means higher costs for customers.

When investors face higher risk, they have choices, they can take their money somewhere else, and they have. That means, there is less money available to do the work California needs. We have reached a point where something has to change.

Which is why this is not simply a conversation about PG&E. It's a conversation about California's ability to attract investment for our energy future. Wildfire risk must be reduced, and we hold ourselves to the highest levels of accountability to do so. We've dedicated our lives, to operating and building our infrastructure, to keep people safe.

This accountability must be coupled with the ability to raise the money to do the work.

That is why we must reinvent PG&E for California, and why we're taking action, today.

First, with our Boards of Directors, after careful deliberation, we've begun a rare and significant process by launching a strategic review of our business, including the full range of options for how PG&E is organized and financed to best serve customers and California.

Second, we're reducing the pace of capital spending in 2027, as a short-term step while this review is underway. We will do this so that we borrow less money and avoid some of the more expensive interest rates which would drive up customer costs. Let me be clear, we will not sacrifice safety when choosing what work to delay or defer.

To California's policymakers and regulators: we want to work with you. We want to bring the facts, the options, and the urgency this moment requires, and design a better path, together, that fulfills our mutual vision for our energy system.

To our customers: we know we have more to prove. Trust must be earned. And we are committed to earning it, not in words alone, but in performance you can see and feel.

To my coworkers: this is not a time to fear, but a challenge to embrace. You are not the source of the problem. You are the answer. California needs you. I need you. Stay focused, stay safe, and keep serving with determination, together. Change can be uncertain, but it can also lead us to a better future than we ever imagined.

California wants an energy company that can meet this moment. I know the people of PG&E can become that company. We've made real progress. We have more to do. And we have no time to waste.

This moment is a turning point for PG&E, for our customers, and for California. When we meet it together, with honesty and urgency, we will build a better energy future for the people we are privileged to serve.

You'll be hearing more from us as these critical conversations take shape in the coming months.

In the meantime, please know that my team and I are working every day to serve you.