

A CONVERSATION ON CALIFORNIA'S ENERGY FUTURE

A decade of climate leadership

BY TONY EARLEY, CHAIRMAN & CEO, PG&E CORPORATION

CALIFORNIA HAS A WELL-EARNED REPUTATION as a place where innovation and invention are key ingredients to the state's success. As the 6th largest economy in the world, California leads the country in a wide range of fields that include technology, entertainment and agriculture. Fortunately, another area where we are setting the pace for the rest of the country is in the field of clean and sustainable energy.

The threats from global warming cannot be minimized. In California, we are living through an historic drought that has parched hills, dried up lakes and left mountains snowless. 2016 is on track to be the warmest year on record and rising sea levels threaten the long-term viability of many of our coastal communities.

Ten years ago, California passed the Global Warming Solutions Act, a groundbreaking law to combat global warming and dramatically reduce greenhouse gas (GHG) emissions. Also known as AB 32, it was the first program in the country to take a comprehensive, long-term approach to addressing climate change—and do so while maintaining our state's robust economy.

PG&E was proud to be the first major energy provider in the state to support AB 32 and has been

Our clean energy progress has exceeded what many thought possible ten years ago, from massive gains in renewable energy to progress on vehicle electrification.

at the forefront of implementing new technologies and programs to reduce greenhouse gas emissions.

The bold experiment of the Global Warming Solutions Act has paid off. Our clean energy

Reducing greenhouse gas emissions



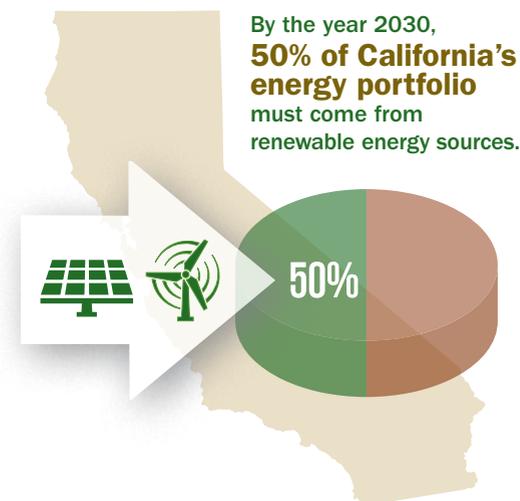
progress has exceeded what many thought possible ten years ago, from massive gains in renewable energy to progress on vehicle electrification. Meanwhile, our gross domestic product in 2015 grew faster than any other state's.

Today, the electricity PG&E provides its customers ranks among the lowest in greenhouse gas emissions in the nation. In fact, more than 55% of the power PG&E delivers comes from sources that emit no greenhouse gases. PG&E's independently verified carbon dioxide emissions rate is about one-third of the national average among electric providers.

Even with this progress, much work lies ahead. We know that

in order to meet the goals of the most ambitious greenhouse gas reduction program in North America as proposed by Governor Jerry Brown, we will need innovation, commitment and partnership

Relying on renewables



from all stakeholders. Moreover, the reality is that California cannot go it alone. We need to build a model that is flexible enough to bring other states and, yes, other countries along. They look to us.

The goals of AB 32 were to reduce greenhouse gas emissions to 1990 levels by the year 2020. Now, California has raised the bar, aiming to cut emissions 40% below 1990 levels over the next decade and a half. To help get there, the state last year passed a new requirement that at least 50% of all energy must be obtained from renewable sources by 2030.

At PG&E, we support these goals. But we urge that future goals focus not just on renewables, but rather GHG-free targets and regional solutions. We believe that big challenges like climate change require big solutions. In the coming weeks, we will share more details about some of the innovative programs we are undertaking to transform our energy infrastructure for the future. We look forward to working together to build a clean energy future and make California the model for the 21st century economy.