



PG&E Corporation

Company Update and Renewable Energy in California

Tony Earley, Chairman, CEO, and President

September 24, 2013



This package is not complete without the accompanying statements made by management during the webcast presentation on September 24, 2013.

This package was attached to PG&E Corporation's Current Report on Form 8-K that was furnished to the Securities and Exchange Commission on September 24, 2013 and, along with the replay of the webcast presentation, is also available on PG&E Corporation's website at www.pge-corp.com.



Key Focus Areas

Resolve gas issues

- Execute critical gas work
- Complete regulatory and legal proceedings as soon as possible

Position company for success

- Rigorous multi-year planning
- Drive continuous improvement

Partner effectively

- Strengthen local presence
- Engage in public policy development



Gas Safety Work

Pipeline Safety Improvements*

Hydrostatic Testing	486 miles
Pipeline Replacement	59 miles
Smart Pig Retrofits	39 miles
Valve Automation	78 valves

* Pipeline work 2011 through June 30, 2013

PG&E Service Territory



PG&E shareholders have spent or committed more than **\$2.2 billion** to support unprecedented pipeline safety work



Gas Pipeline Regulatory Activity

Recent Developments

Next Steps

Rulemaking

August 21 – CPUC issued 2 Orders to Show Cause regarding gas pipeline records and CPUC notification of errors in records resulting in MAOP reduction

September 6 – Hearings on Orders to Show Cause

September 26 – parties recommend CPUC action on procedural issue recommendations (filing of errata)

October 1 – parties respond

Other hearings possible on procedural issue as well as questions on operating pressure of pipelines

Investigations

Administrative Law Judges posed a series of questions on financing of potential penalties, as well as impact to the business

August 21 – PG&E responded to ALJ questions

August 28 – Parties filed rebuttal briefs on penalties

Additional ALJ Questions

- **September 20** – parties respond
- **October 7** – reply comments, record closes

Penalties

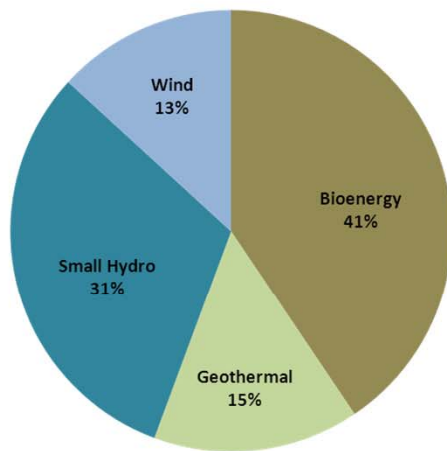
- ALJs have up to 60 days after record closes to issue Presiding Officers' Decision
- Parties have 30 days to appeal POD for a Commission vote



PG&E's Renewable Portfolio Evolution

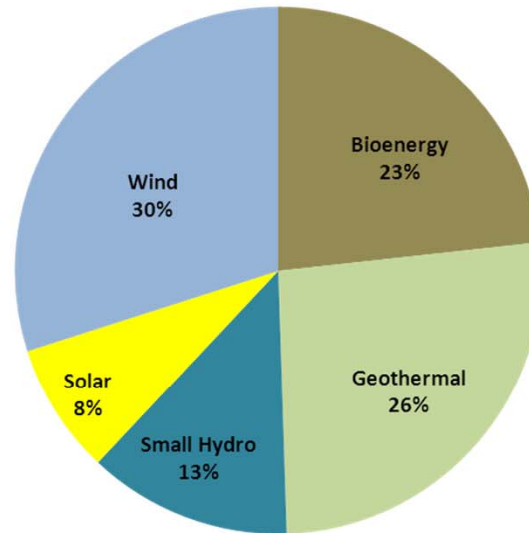
Solar represents the vast majority of the growth in the RPS portfolio

2002



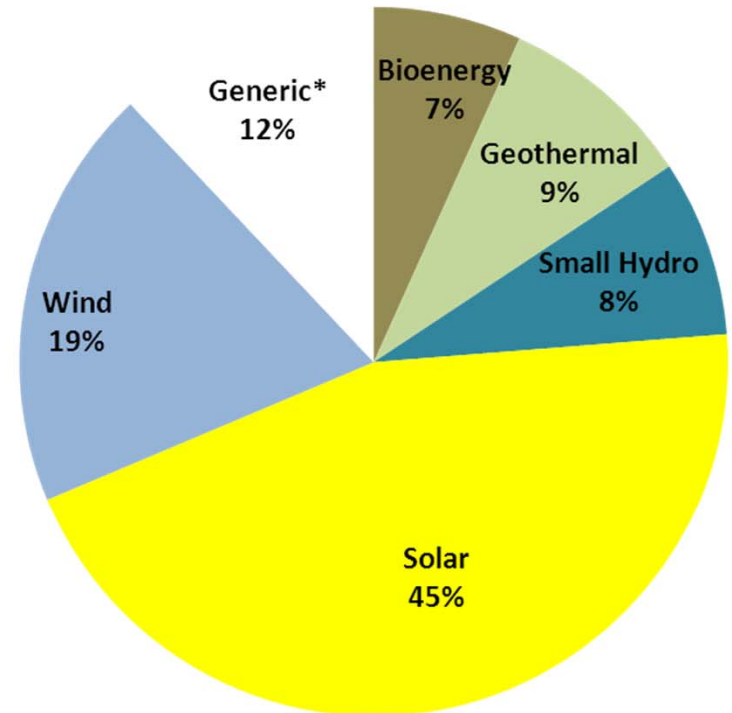
Total RPS-Eligible Procurement
7,504 GWh

2012



Total RPS-Eligible Procurement
~14,500 GWh

2020 Projected



Projected RPS-Eligible Procurement
~26,500 GWh

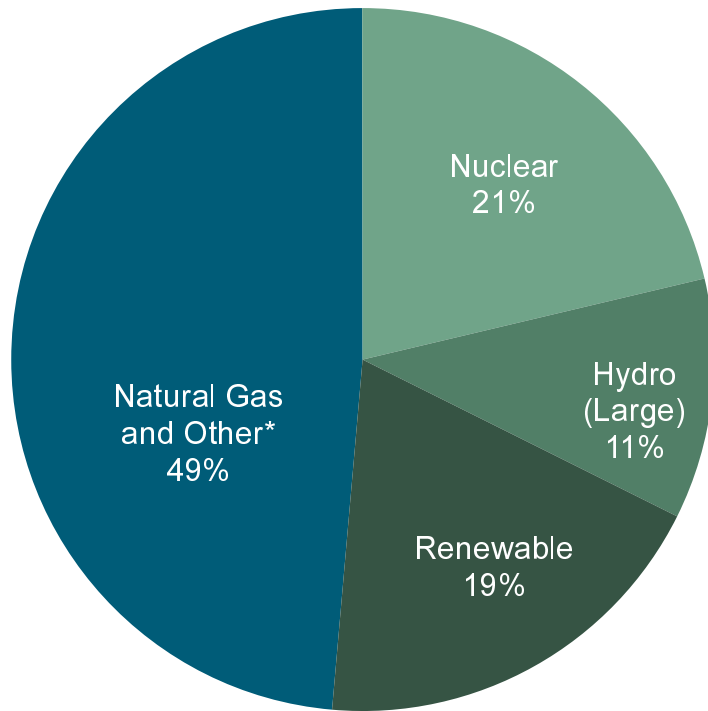
Note: Generic means PG&E will procure from to be determined resources. Some of these resources will be procured through mandated programs such as: RAM, AB 1969, and ReMAT.

Data Sources: PG&E's 2002 Corporate Environmental Report, PG&E's Preliminary 2012 RPS Volumes Report and PG&E's 2013 IEPR Forecast. Last updated June, 2013.



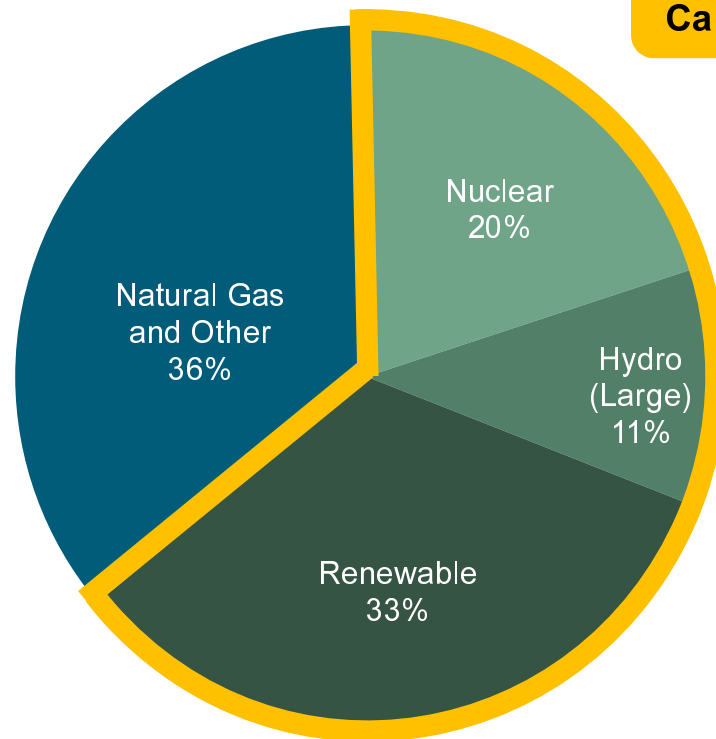
PG&E's Electric Generation Portfolio

2012 Portfolio



Total GWh: 76,000

2020 Projected Portfolio



Total GWh: 81,000

*Note: Other includes market purchases, other fossil resources

Data Sources: 2012 Power Content Disclosure Report and PG&E's 2013 IEPR Forecast. The 2012 data is subject to an independent audit and verification that will be completed October 1, 2013



Renewables Require More Flexibility in the System

Operational Challenges

- Integrating wind and solar generation requires additional quick start and ramping (up/down) capacity
- New flexible generation capacity may be needed to manage over-generation conditions

Policy Challenges

- California needs regulatory decisions on renewable integration – CPUC, CAISO and others working together
- Rate impacts are also an important concern



Targeting Operational and Ratemaking Flexibility

PG&E Portfolio

Purchased Power

- Enhance physical capability (retrofits)
- Ensure contractual conditions enable realizing physical capability

Utility Owned Generation

- Oakley plant (in service 2016 or 2017) to provide an additional quick starting, flexible generation resource for PG&E customers
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Market Redesign

Ongoing Efforts

- Long-Term Procurement Plan (10-year view)
 - Short-term RFOs (1-year view)
 - Capacity Market Design (TBD – may include a mid-term view)
 - Energy Storage Order Instituting Rulemaking
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Legislation

- Engaging with Legislature and other agencies to make progress on a statewide energy plan
- AB 327 passed Legislature in September – important step forward