



PG&E and KKR Enter Exclusive Talks on Strategic Partnership in Pacific Generation Transaction

April 30, 2024

Minority Investment from KKR's Infrastructure Strategy Would Improve Public Safety and Wildfire Mitigation, Accelerate California's Ability to Achieve Its Climate Goals, and Result in Significant Customer Savings

Under Proposed Transaction, PG&E Would Remain Majority Owner and Operator of Pacific Generation

OAKLAND and MENLO PARK, Calif. - April 30, 2024 - Pacific Gas and Electric Company (PG&E) retail customers received 100% greenhouse gas-free electricity in 2023, making the company's portfolio of electricity sources one of the world's cleanest.

“After thoroughly evaluating a full range of potential investors, we believe that a strategic partnership with KKR would be highly beneficial to our customers by supporting investment in generation and storage assets that are critical contributors to clean, reliable energy, and providing a path to lower rates,” said Carolyn Burke, Executive Vice President and Chief Financial Officer at PG&E. “As we continue to build our systems, we must accelerate the infrastructure investments that will enable us to provide our customers with safe, sustainable, reliable, and affordable energy. With a strong strategic partner like KKR, we would be better positioned to help support cleaner energy generation, such as hydro and pumped storage, as well as other energy storage assets needed to balance California’s portfolio of intermittent renewable resources and mitigate wholesale market volatility.”

Potential benefits of the investment would include:

Better rates for customers from improved credit quality.

- Proposed transaction is anticipated to reduce customer rates by more than \$100 million over the next 20 years as Pacific Generation is expected to have higher credit ratings and a lower cost of debt than PG&E. The potential investment would also enhance PG&E’s credit profile, which would benefit PG&E’s customers.

Improved safety and reliability of PG&E’s energy grid.

- KKR would provide efficient capital that would help PG&E continue to invest in wildfire prevention, safety, and the critical Pacific Generation fleet.

Help California achieve its ambitious decarbonization and electrification goals.

- KKR’s core infrastructure strategy endeavors to have all its investments set goals to reach net-zero emissions by 2050 or sooner, in line with California’s ambitious

decarbonization plan.

“We believe an investment from KKR would immediately enhance our financial position as we continue our pursuit of a clean energy future,” said Ms. Burke. “KKR’s capital, industry experience and commitment to stakeholder engagement complement our operational expertise and strong relationships with local communities.”

Formed in 2008 and with \$59 billion in assets under management, KKR’s Global Infrastructure business has deep expertise in the utility and renewables industry, as well as stable, ongoing access to capital, which affords the firm the ability to take a long-term “buy and build” view on asset management. KKR is committed to partnering with management teams to help companies become more sustainable and successfully decarbonize over time, maintain a safe work environment, and support the communities in which they operate.

“With our long-standing roots in California, deep commitment to sustainable investing and decarbonization, and long-term view on asset management, we feel we are well placed to support Pacific Generation in this new chapter,” said Raj Agrawal, Partner and Global Head of Infrastructure at KKR. “Should this transaction move forward, we feel confident we can deliver benefits for these facilities, the employees that operate them, and the people of California.”

“We are honored to be considered for this long-term effort and look forward to working alongside PG&E and Pacific Generation to enhance public safety, generate customer savings, and help California achieve its ambitious climate objectives,” added Kathleen Lawler, Managing Director at KKR.

As previously announced in September 2022, PG&E is seeking approval to transfer its non-nuclear power generation assets to a newly formed subsidiary, Pacific Generation, and to transfer a minority ownership in Pacific Generation. These transactions are subject to approval by the California Public Utilities Commission (“CPUC”) and Federal Energy Regulatory Commission (“FERC”), as well as execution of mutually agreeable definitive documentation and other customary closing conditions.

Under the proposed transactions, PG&E would remain the majority owner of Pacific Generation and the current workforce would continue to operate and maintain the generation facilities for the benefit of customers. Additionally, the proposed transactions would not impact the regulation of Pacific Generation’s assets, which would continue to be overseen by the CPUC and FERC.

About PG&E

Pacific Gas and Electric Company, a subsidiary of PG&E Corporation (NYSE:PCG), is a combined natural gas and electric utility serving more than 16 million people across 70,000 square miles in Northern and Central California. For more information, visit [pge.com](https://www.pge.com) and [pge.com/news](https://www.pge.com/news).

About KKR

KKR is a leading global investment firm that offers alternative asset management as well as capital markets and insurance solutions. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and supporting growth in its portfolio companies and communities. KKR sponsors investment funds that invest in private equity, credit and real assets and has strategic partners that manage hedge funds. KKR's insurance subsidiaries offer retirement, life and reinsurance products under the management of Global Atlantic Financial Group. References to KKR's investments may include the activities of its sponsored funds and insurance subsidiaries. For additional information about KKR & Co. Inc. (NYSE: KKR), please visit KKR's website at www.kkr.com. For additional information about Global Atlantic Financial Group, please visit Global Atlantic Financial Group's website at www.globalatlantic.com.

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Cautionary Statement Concerning Forward-Looking Statements

This news release contains forward-looking statements that are not historical facts, including statements about the beliefs, expectations, estimates, future plans, and strategies of PG&E, including the impacts of the proposed transactions on customer rates, PG&E's financial position, and capital investments, and there can be no assurances that the negotiations will result in a definitive agreement to sell a minority interest in Pacific Generation or that any such agreement will ultimately be consummated. These statements are based on current expectations and assumptions, which management believes are reasonable, and on information currently available to management, but are necessarily subject to various risks and uncertainties. In addition to the risk that these assumptions prove to be inaccurate, factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include factors disclosed in PG&E Corporation and PG&E's joint Annual Report on Form 10-K for the year ended December 31, 2023, their most recent Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, and other reports filed with the SEC, which are available on PG&E Corporation's website at www.pgecorp.com and on the SEC's website at www.sec.gov. PG&E Corporation and PG&E undertake no obligation to publicly update or revise any forward-looking statements, whether due to new information, future events or otherwise, except to the extent required by law.