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ENGINEERS AND SCIENTISTS OF CALIFORNIA
LOCAL 20, IFPTE, AFL-CIO AND CLC
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MATTHEW LEVY
SENIOR DIRECTOR

CARL HARLAND
ASSISTANT EXECUTIVE DIRECTOR

23-20-ESC

September 1, 2023

Mr. Carl Harland, Assistant Executive Director
Engineers and Scientists of California, Local 20
IFPTE (AFL-CIO & CLC)
810 Clay Street
Oakland, CA 94607

Dear Mr. Harland:

PG&E and ESC Local 20 met in 2023 to discuss the effects of the Company's decision to continue operation of the Diablo Canyon Power Plant ("DCPP") through October 2030 as a result of Senate Bill 846.

This decision may ultimately result in the plant's closure, however the operation of DCPP will continue for several years. During this period, PG&E has the obligation to operate the plant safely and reliably. In order to accomplish this, PG&E will need highly skilled personnel who are knowledgeable about the plant's operation.

Accordingly, consistent with Senate Bill 846, the parties reached agreement to extend the Base Retention Program (BRP), incentivizing employees to assure that the Company has sufficient trained personnel to meet these obligations and needs. The terms of this agreement are contingent upon CPUC approval. Once approved by the CPUC, BRP payments will be paid for all completed BRP commitment periods and segments, and for all future completed BRP commitments, for all employees who have a signed commitment agreement. This Agreement constitutes a new Agreement and does not cancel or revise Letter of Agreement 19-09 ESC. The final BRP commitment period under 19-09 ESC ends on 8-31-2023; the first BRP commitment period under this agreement begins on 9-1-2023.

The Company and Union agree to the following:

Base Retention Program

The Company shall continue a Base Retention Program ("BRP"). It is the intent of the parties that BRP payments are solely intended for PG&E employees who remain employed and who work in a regular active full-time status at DCPP, whose job or job functions will be eliminated as a result of the cessation of operations at DCPP, who work during the entirety of one or more of the commitment periods outlined below and sign a BRP Payback Agreement. Also eligible are those PG&E employees who solely support DCPP operations and whose job or job functions will be eliminated as a result of the cessation of operations at DCPP, who work the entirety of one or more of the commitment periods outlined below and sign a BRP Payback Agreement.

Eligible DCPP PG&E employees are defined as those employees represented by ESC Local 20 as described in Section 3.1 (recognition clause) of the parties' Collective Bargaining Agreement ("CBA"). PG&E employees bidding, transferring or assigned into DCPP during the term of this Agreement will also be eligible for the BRP on a pro-rata basis. Newly hired employees shall be offered the opportunity to participate in the BRP, on a pro rata basis based on their date of hire subject to successfully completing their probationary period. They will only be eligible to receive a BRP payment after completion of their probationary period, retroactive to their date of hire. Should their date of attaining regular status prohibit them from a timely BRP payment, an off-schedule payment will be made within 45 days of obtaining regular status. PG&E employees working at DCPP on a temporary or rotational assignment are not eligible for the BRP. Contractors, Hiring Hall, and other temporary personnel are not eligible for the BRP. Issues regarding eligibility will be referred to and addressed by the Company's Chief Negotiator and the Union's Assistant Executive Director.

- PG&E employees bidding, transferring or assigned into DCPD during the term of this Agreement will also be eligible for the BRP on a pro-rata basis.
- Newly hired employees shall be offered the opportunity to participate in the BRP upon being hired. They will only be eligible to receive any BRP payment after completion of their probationary period retroactive to their date of hire. Should their date of attaining regular status prohibit them from a timely BRP payment, an off-schedule payment will be made within 45 days of obtaining regular status. Should the Company not offer new employees this opportunity, the employee shall maintain the right to commit retro to their hire date during the commitment period they were hired. When an employee is provided the opportunity to participate the employee will have 30 days to submit their commitment.
- The BRP is divided into four commitment periods. The first period is a 16-month commitment of employment which covers years 2023 through 2024. The second period is a one (1) year commitment which covers year 2025. The third period is a three (3) year commitment which covers years 2026 through 2028. The fourth period is a two (2) year commitment which covers years 2029 through 2030. Employees may accept a single commitment period, multiple periods, or no periods. Employees must submit a signed BRP written agreement to participate in the BRP; employees must submit the forms for each commitment period no later than 30 days prior to the start date of the commitment period. Base salary will be determined by annualizing the employee's basic wage rate from Exhibit A of the CBA, or the applicable Letter Agreement for their classification in effect on December 1 of the earnings year and shall exclude all overtime, premium, differentials, and bonus payment(s). For an employee who works an entire segment, the payment would be calculated on their straight time hours rate, times 40 hours per week, times the number of weeks in that segment. For eligible employees not working the entire period, their base hourly wage rate will be prorated by the hours and months worked during that segment.

$$\text{Base Salary} = \text{Base Hourly Wage Rate} \times 2080 \text{ Hours} \times (\# \text{Months} \div 12)$$

BRP commitment period #1 will consist of the following segment:

- September 1, 2023 - December 31, 2024

BRP commitment period #2 will consist of the following segment:

- January 1, 2025 – December 31, 2025

BRP commitment period #3 will consist of the following segments:

- January 1, 2026 – December 31, 2026
- January 1, 2027 - December 31, 2027
- January 1, 2028 - December 31, 2028

BRP commitment period #4 will consist of the following segments:

- January 1, 2029 – December 31, 2029
- January 1, 2030 – November 1, 2030

Eligible employees will receive a BRP payment equal to 25% of the employee's base salary for each segment of the commitment period(s). The Company will endeavor to make each segment payment by March but no later than May following the segment year. BRP payments will be excluded from 401(k) and pension (both traditional and cash balance) eligible earnings, therefore will not be considered for purposes of calculating an employee's pension. Although individual BRP payments are paid to employees who remain actively employed in an eligible position for each "*segment*", the BRP is not earned until the employees works all segments of the entire commitment period, and as such, an employee who is not employed at the BRP commitment period end has not earned the BRP for that entire commitment timeframe.

Each year, upon payment of the BRP payment, the Company will recalculate a nonexempt employee's overtime rate (for all overtime hours worked that year) that factors in the BRP payment consistent with federal law.¹ This overtime true up will be paid separately from the BRP payment. The Company will endeavor to make the overtime true up payment as quickly as possible but not later than 60 days following the BRP payment.

Failure to complete commitment timeframe

An employee who voluntarily terminates employment at DCP, retires, or is discharged by the Company for cause prior to the completion of a commitment period, has not earned the BRP, and will reimburse the Company for the gross amount of all BRP payments received in the commitment period. The BRP Payback Agreement will contain provisions to facilitate how repayment will be accomplished.

Employees who take a Company-approved leave, Union leave, or a legally protected leave of absence will not be required to repay the Company for BRP amounts already paid and will be eligible for a pro-rata BRP payment for the period in which the leave commences. If the employee subsequently returns to work in a regular capacity at DCP, the employee will be entitled to a pro-rata portion of any remaining future BRP payments. Individuals who are on a leave of absence for twelve (12) weeks or less in a retention year will be paid a full non-pro-rated retention bonus. Individuals who are on a leave of absence for greater than twelve (12) weeks, **which is not legally protected**, will receive a pro-rated BRP adjusted based on the portion of their leave of absence beyond twelve (12) weeks. The overtime true-up payments made for individuals who receive a pro-rated BRP will be calculated using the number of weeks in which they earn the BRP as the divisor rather than using 52 weeks.

Similarly, upon the death of an employee or if the employee is laid off for lack of work during a commitment period, he or she will not be required to repay the Company for BRP amounts already paid. Further, such employees will also receive a pro-rata BRP payment for the partial year prior to their death or layoff from the Company.

Finally, in the event DCP ceases operations prior to the expiration of either commitment period or for any reason (e.g., order from a government agency, management decision, etc.) or if an employee's services are no longer required for any other reason not addressed elsewhere in this Agreement, employee will not be required to repay BRP amounts already paid and such employee will also receive a pro-rata BRP payment for the partial year worked prior to the last day worked at DCP by such employee.

Under no circumstances in the foregoing scenarios, or any other similar scenario, will an employee be entitled to receive any remaining BRP payments scheduled beyond the last date of employment or last day worked at DCP by employee.

¹ The True Up will be calculated consistent with the federal formula defined in 29 C.F.R. § 778.209(b) and 29 C.F.R. § 778.101. However, specific to this agreement only, the Company will calculate the True-Up (consistent with the Company's practice during the prior agreement) by not applying credits for other non-FLSA premiums paid toward the true-up due; all overtime and double time paid under the Collective Bargaining Agreement, a Letter Agreement or a Memorandum of Understanding will be trued up regardless of whether the employee actually performed 40 hours of work in that week (includes credit toward time worked for sick leave and vacation) and all overtime will be trued up at the federal rate of .5, except double time, which will be trued up at the rate of 1.0.

Severance Benefit

Severance benefits will be provided pursuant to the parties' Collective Bargaining Agreement in effect at the time of severance.

Joint Oversight and Flexibility Committee

Company and Union agree to establish a Joint Oversight and Flexibility Committee comprised of five (5) core representatives selected by the Union and five (5) core representatives selected by the Company. Observers, guest speakers, or other participants shall be allowed to attend as necessary. Meetings to be held bi-annually, however this should not be construed to limit additional meetings if requested.

The Committee will address all unanticipated or implementation issues arising from the closure of DCPD and/or this Agreement. This Committee will also be responsible for attempting to address and resolve disputes arising from this Agreement prior to a grievance being filed.

The Committee will also discuss a recommended workforce flexibility plan. These plans will address flexibility issues such as cross crafting, work schedules, job assignments and work rule flexibility, and modifications to training programs. Once the plans are agreed to, the Committee will be responsible to review and recommend amendments and updates. Any modifications to the CBA will require a letter of agreement signed by the Company's Chief Negotiator and the Union's Assistant Executive Director.

Joint Decommissioning Oversight Committee

Company and Union agree to (continue or create) a Joint Oversight and Flexibility Committee comprised of four (4) core representatives selected by the Union and four (4) core representatives selected by the Company. The Decommissioning Oversight Committee will continue to discuss future plans for decommissioning as they have in the past, while working toward the Hybrid Decommissioning Model (PG&E Employees and Contractors) including work normally performed by BU employees vs contractor work, retraining opportunities, and any potential need to modify the parties' CBA as a result of those plans.

Enhanced Placement Options and Relocation (Section 22.7)

At the end of the employee's assignment and BRP commitments, as determined by the Company, the employee will have the option for a six-month paid job search while seeking internal employment (deducted from severance if job not found). Employees who must relocate to secure an employment opportunity will be reimbursed for moving expenses as defined in Section 22.7 of the CBA to a maximum of \$5,000.

The Company agrees to meet and confer with the Union six months prior to expiration of each commitment period and prior to the closure of DCPD to discuss whether open job requisitions will be held and any Title 21 and Title 22 implications. Nothing in this section is intended to limit the frequency with which the parties may elect to meet to discuss such topics.

Wage Protection

Employees who complete their assignment and BRP commitments, as determined by the Company, and successfully bid, transfer or are displaced into a lower paying regular position in another department or another line of progression, will maintain their rate of pay for up to three years or until such time as the rate of pay in the new position is equal to or greater than that of the employee's frozen rate of pay, whichever comes first. If at the end of three years, an employee is still paid above the top of the rate for the classification held, the employee will be placed at the top of the rate for that classification. During the time that an employee's pay remains above the wage range of the position into which he/she bid, the employee will not receive General Wage Increases or Progressive Wage Increases.

DCPP Section 27.2 Committee

In light of the unique circumstances associated with continued operations at DCP, the Company and Union will create a DCP Section 27.2 Committee that will consist of an equal number of Company and Union representatives. Committee members will be appointed by the Company and Union, respectively. The Committee shall be charged with reviewing Section 27.2 of the CBA and developing solutions to address contracting issues that may develop at the plant.

Miscellaneous Provisions

The parties agree to meet and confer six months prior to the expiration of each commitment period to discuss whether any modification(s) to the BRP program is necessary. Additionally, in the event of future judicial or legislative changes, or CPUC orders affecting this Agreement, the parties agree to a limited re-opener to negotiate changes specific to the judicial, legislative, or CPUC requirements.

In the event that the Company agrees with IBEW Local 1245 or SEIU-USWW on a BRP Agreement that has more favorable economic provisions than those contained in this Agreement, then ESC shall be afforded the option to replace the provision(s) of this Agreement with the corresponding, more favorable provision(s) from the IBEW or SEIU Agreement.

Nothing in the BRP or this Agreement shall be construed as (i) a requirement to retain any employee for any period of time, (ii) a restriction of the Company's right to layoff, transfer or reassign, discipline or discharge, or take any other action in accordance with the terms of the parties' CBA.

Employee bids to classifications/assignments that qualify for the retention (e.g., promotion, lateral to different classification within DCP) will be considered on a pro rata basis.

Employees currently committed to a BRP commitment period will only be awarded bids under the following circumstances:

- a. Employee bids to classifications/assignments that also qualify for the BRP retention program (i.e., ESC positions inside DCP).
- b. If an employee is a successful bidder under the parties CBA to classifications/assignments that do not qualify for the BRP retention program (i.e., ESC positions outside DCP) that position will only be awarded after all payments already earned under an incomplete BRP commitment period are repaid to the Company, or the employee has voluntarily executed a BRP repayment obligation agreement with PG&E. The employee will have 5 business days to complete either of these actions or the employee's bid will be declined, and the bid process will move on to the next eligible bidder.

Entire Agreement

This Agreement sets forth the entire agreement between the parties, and fully supersedes any prior agreements or understandings regarding the subject matter of this Agreement, except any confidentiality or non-disclosure agreements which are incorporated herein by reference. Any modification to this Agreement must be in writing and signed by both the Company's Chief Negotiator and the Union's Assistant Executive Director. The terms of this Agreement will not expire and shall survive the expiration of any future CBA(s) between the parties.

If you agree, please so indicate in the space provided below and return one executed copy of this letter to the Company.

Very truly yours,

PACIFIC GAS & ELECTRIC COMPANY

By:



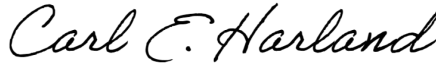
Matthew Levy
Senior Director

The Union is in agreement.

Engineers and Scientists of California, Local 20
IFPTE (AFL-CIO & CLC)

September 13th, 2023

By:



Carl Harland
Assistant Executive Director