



PG&E BANKRUPTCY AND STATE WILDFIRE LIABILITY LEGISLATION

On January 14, 2019, PG&E Corporation announced that it may file for Chapter 11 bankruptcy on or about January 29, 2019. California's largest utility is facing up to \$30 billion in liabilities related to wildfires and the San Bruno natural gas explosion. Recently, legislation has been introduced to consider the structure of PG&E, the liability of utilities to wildfire events, as well as other measures. Amid this background, it is important for Silicon Valley Power (SVP) to be active and informed by its own agreements with PG&E Corporation and its subsidiaries, the extended impact to all other energy market participants and the independent system operator, the impact to SVP partners in power generation and distribution, the implication for how risk is assigned to an electric utility, and the framework for establishing liability and risk. The outcome of any legislative actions will most definitely have implications for SVP to consider going forward.