

**Module: Introduction****Page: W0. Introduction****W0.1****Introduction**

**Please give a general description and introduction to your organization.**

PG&E Corporation is an energy-based holding company whose core business is Pacific Gas and Electric Company (PG&E). PG&E is one of the largest combined natural gas and electric utilities in the United States. Based in San Francisco, with more than 23,000 employees, PG&E delivers some of the nation's cleanest energy to nearly 16 million people in Northern and Central California. PG&E Corporation had more than \$60 billion in assets as of December 31, 2015, and generated revenues of nearly \$17 billion in 2015.

California faces persistent drought conditions and PG&E's service area is characterized as being in "Severe Drought," "Extreme Drought" or "Exceptional Drought" on the National Integrated Drought Information System (NIDIS) drought scale. As such, PG&E's owned power generation facilities and other facilities (including our corporate headquarters, service centers, office buildings, and substations) are located in water-stressed areas.

PG&E's response to the state's historic drought conditions is governed by an internal Drought Task Force, which works to identify and address impacts on PG&E's operations, on our customers and in our communities. The strong link between energy and water usage means that there is much we can do. PG&E is working proactively to respond to the drought in a number of ways:

- Strategically managing our power generation facilities
- Reducing water consumption at PG&E offices and service yards
- Providing outreach and guidance to customers, particularly those in the agricultural community, on how to reduce water usage

PG&E relies on dry-cooling technologies for all but one of its thermal power plants; the other plant uses saltwater to supply its once-through cooling systems. Most of PG&E's freshwater use is for non-consumptive purposes, including, importantly, the generation of hydroelectric power.

PG&E is taking steps to conserve water in our facilities and operations. Our efforts proved positive, with water use decreasing 7.8 percent in 2015 compared to the prior year, exceeding our target of 4.5 percent. This was in addition to the 30 percent reduction we achieved over the previous five years. PG&E will continue to promote water conservation with our customers and communities and at our facilities, setting a 2016 reduction target of 3.5 percent.

PG&E offers customers a wide range of options to help them reduce their water use. Our water-saving solutions for residential customers include energy efficiency rebates for high-efficiency appliances, such as clothes washers and shower heads, and free wood chips for landscape mulching, which reduces evaporation. We also offer incentives to agricultural customers who convert from sprinkler systems to water-efficient drip irrigation, as well as programs for energy efficient pumping

systems and more. Altogether, customers who participated in PG&E's programs reduced water usage by about 1.2 billion gallons in 2015.

PG&E also led a grassroots Water Wise Pledge Campaign that encouraged employees to make a pledge to reduce their water usage at work and at home. Twenty percent of our workforce pledged to take actions such as taking shorter showers, checking for leaks and installing water-saving aerators. Finally, we are working to protect water quality in our operations through our program to comply with state permitting requirements for storm water management at our power plants and associated with construction projects.

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#### W0.2

##### Reporting year

Please state the start and end date of the year for which you are reporting data.

Period for which data is reported
Thu 01 Jan 2015 - Thu 31 Dec 2015

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#### W0.3

##### Reporting boundary

Please indicate the category that describes the reporting boundary for companies, entities, or groups for which water-related impacts are reported.

Companies, entities or groups over which financial control is exercised

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#### W0.4

##### Exclusions

Are there any geographies, facilities or types of water inputs/outputs within this boundary which are not included in your disclosure?

Yes

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**W0.4a**

**Exclusions**

**Please report the exclusions in the following table**

<b>Exclusion</b>	<b>Please explain why you have made the exclusion</b>
PG&E owns and operates service centers, office buildings, substations, and gas compressor stations throughout our service area. We are currently tracking water use (not sewage) for 135 service centers and office sites, and a small percentage of substations and compressor stations.	PG&E plans to continue its efforts to assess, prioritize, and expand our collection and tracking of municipal water at the service centers and substation facilities that consume significant volumes of water using the Entech Environmental Management System data management system. The water use for most of these facilities is significantly less than that used in our electric generation operations.
PG&E is not tracking water use information for the operation, maintenance, and construction of our gas and electric transmission and distribution facilities.	PG&E plans to continue its efforts to assess collection and tracking of these water sources. The water use for most of these facilities is significantly less than that used in our electric generation operations.
PG&E is not able to track some of the delivered electricity purchased from the wholesale market back to a specific generator. Therefore, we are unable to report the associated water withdrawal from these power generation facilities.	PG&E purchases a portion of the electricity our customers demand from the wholesale market; however, we are unable to track the source of this electricity back to a specific generator and are therefore unable to report the associated water withdrawal.

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**Further Information**

**Module: Current State**

**Page: W1. Context**

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**W1.1**

**Please rate the importance (current and future) of water quality and water quantity to the success of your organization**

Water quality and quantity	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Important	Important	PG&E owns and operates three natural-gas fired power plants: Humboldt Bay Generating Station, Colusa Generating Station, and Gateway Generating Station. These plants use dry-cooling technology. While some freshwater is used to generate steam, cool auxiliary equipment, support fire water systems, and supply drinking water at the plants, these operations are largely closed-loop systems that minimize the amount of water consumed.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Important	PG&E owns and operates the nation's largest investor-owned hydroelectric system and water quality is an important factor in the generation of this power. The system is built along 16 river basins stretching nearly 500 miles. PG&E's 67 powerhouses, as well as a pumped storage facility, have a total generating capacity of nearly 4,000 MW and rely on nearly 100 reservoirs. Approximately 5-20% of the power we deliver to our customers comes from hydroelectricity. PG&E has a long history of owning and managing thousands of acres surrounding our hydroelectric system. By managing these lands, PG&E is focused on protecting the water quality of the rivers that feed the hydroelectric system.

**W1.2**

**For your total operations, please detail which of the following water aspects are regularly measured and monitored and provide an explanation as to why or why not**

Water aspect	% of sites/facilities/operations	Please explain
Water withdrawals- total volumes	76-100	PG&E measures and monitors water withdrawal data for four power generation facilities owned and operated by PG&E. The facilities are Diablo Canyon Power Plant (Diablo Canyon), a 2,240 MW nuclear generation facility, and three state-of- the-art natural gas-fueled power plants that rely on dry cooling technology: Gateway Generating Station (530 MW), Humboldt Bay Generating Station (163 MW); and Colusa Generating Station (530 MW). PG&E also reports water withdrawal data for the three

Water aspect	% of sites/facilities/operations	Please explain
Water withdrawals- volume by sources	76-100	fuel cell units it owns and operates. PG&E measures and monitors water withdrawal volume by sources. PG&E uses municipal water at its Gateway and Humboldt Bay Generating Stations, as well as its three fuel cell units.
Water discharges- total volumes	76-100	PG&E measures and monitors water discharge volumes. Of our owned power generation facilities, only one uses once-through cooling: Diablo Canyon Nuclear Power Plant. However, this power plant relies on saltwater (the Pacific Ocean) for once-through cooling. The chemical characteristics of the intake water at this plant are essentially the same as the discharged water. The plant operates in compliance with its respective water quality permit issued by the State Water Resources Control Board.
Water discharges- volume by destination	76-100	PG&E measures and monitors water discharge volumes by destination – saltwater (the Pacific Ocean) and local sanitation district for treatment.
Water discharges- volume by treatment method	76-100	PG&E measures and monitors water discharge volumes. However, Humboldt Bay and Gateway Generating Stations operate solely on municipal water for domestic and non-domestic purposes. After use at the plant, the water is discharged to the local sanitation district for treatment.
Water discharge quality data- quality by standard effluent parameters	76-100	PG&E measures and monitors water discharge quality in compliance with state and federal regulations.
Water consumption- total volume	76-100	PG&E measures and monitors water consumption volumes. PG&E's three natural-gas fired power plants use dry-cooling technology. Some freshwater is used to generate steam, cool auxiliary equipment, support fire water systems, and supply drinking water at the plants, but these operations are largely closed-loop systems that minimize the amount of water consumed.
Facilities providing fully-functioning WASH services for all workers		

**W1.2a**

**Water withdrawals: for the reporting year, please provide total water withdrawal data by source, across your operations**

Source	Quantity (megaliters/year)	How does total water withdrawals for this source compare to the last reporting year?	Comment
Fresh surface water	0	Not applicable	PG&E does not withdraw fresh surface water for use at its power plants or facilities.
Brackish surface water/seawater	3259481	About the same	PG&E uses saltwater at Diablo Canyon for once-through cooling in the electricity generation process. Diablo Canyon is PG&E's only once-through cooled plant. PG&E also uses saltwater at Diablo Canyon to generate the majority of the facility's freshwater through a seawater reverse osmosis process. This water is used for system operation, domestic/drinking water, and the fire water system and associated maintenance.
Rainwater	0	Not applicable	In some cases, PG&E collects rainwater for use in landscape irrigation but does not measure quantities.
Groundwater - renewable	31	Much lower	Diablo Canyon freshwater sources are well water for backup and emergency purposes.
Groundwater - non-renewable	0	Not applicable	PG&E does not withdraw non-renewable groundwater
Produced/process water	0	Not applicable	PG&E does not withdraw produced/process water; however, PG&E uses an on-site desalination plant to generate the majority of freshwater that supports the internal operations of the Diablo Canyon facility.
Municipal supply	1032	Lower	Data represents all municipal water withdrawals, including domestic and process water for power plants, offices and service yards, public water systems owned and operated by PG&E, and water for hydrostatic testing of PG&E's natural gas system.
Wastewater from another organization	0	Not applicable	PG&E does not receive wastewater from another organization.
Total	3260544	About the same	

**W1.2b**

**Water discharges: for the reporting year, please provide total water discharge data by destination, across your operations**

Destination	Quantity (megaliters/year)	How does total water discharged to this destination compare to the last reporting year?	Comment
Fresh surface water	0	Not applicable	PG&E does not discharge to fresh surface water.
Brackish surface water/seawater	3258967	Higher	These figures incorporate once-through cooling discharge (equivalent to withdrawal) plus estimated reverse osmosis system brine/backwash discharge for Diablo Canyon Power Plant.
Groundwater	0	Not applicable	PG&E does not discharge groundwater.
Municipal/industrial wastewater treatment plant	581	About the same	After use at Humboldt Bay and Gateway Generating Stations, the water is discharged to the local sanitation district for treatment. Colusa Generating Station uses a zero liquid discharge system. A septic system is used to manage sanitary waste.
Wastewater for another organization	0	Not applicable	PG&E does not discharge wastewater for another organization.
Total	3259548	Higher	

#### W1.2c

**Water consumption: for the reporting year, please provide total water consumption data, across your operations**

Consumption (megaliters/year)	How does this consumption figure compare to the last reporting year?	Comment
1032	Lower	Data represents all municipal water withdrawals including domestic and process water for power plants, offices and service yards, public water systems owned and operated by PG&E, and water for hydrostatic testing of PG&E's natural gas system.

#### W1.3

**Do you request your suppliers to report on their water use, risks and/or management?**

Yes

**W1.3a**

**Please provide the proportion of suppliers you request to report on their water use, risks and/or management and the proportion of your procurement spend this represents**

<b>Proportion of suppliers %</b>	<b>Total procurement spend %</b>	<b>Rationale for this coverage</b>
1-25	51-75	PG&E uses a competitive bid process to review and select renewable and conventional electric power for our customers. For renewable and new sources of conventional power, PG&E may conduct an environmental review as part of the due diligence process, considering factors such as water quality and availability. We are also taking a systematic, long-term approach to reduce the environmental impact of our non-fuel suppliers, enabling PG&E to better serve our customers and take important steps toward our goal of environmental leadership. One important area of focus is establishing strong processes to manage the environmental performance of our top tier suppliers. These companies include the most strategic suppliers for our business, including those with whom we spend significant dollars and that are critical to our operations. We conduct recurrent performance evaluations with each top tier supplier using a scorecard of key performance indicators such as safety, quality and operations, supplier diversity, and environmental performance. PG&E maintains supplier environmental performance standards that set our expectation that all top tier suppliers: (1) implement an environmental management system that tracks greenhouse gas emissions (Scope 1 and 2), energy, water, waste, and compliance with environmental requirements; (2) set voluntary reduction goals; and (3) publicly report their annual performance against goals.

**W1.3b**

**Please choose the option that best explains why you do not request your suppliers to report on their water use, risks and/or management**

Primary reason	Please explain
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**W1.4**

Has your organization experienced any detrimental impacts related to water in the reporting year?

Yes

**W1.4a**

Please describe the detrimental impacts experienced by your organization related to water in the reporting year

Country	River basin	Impact indicator	Impact	Description of impact	Length of impact	Overall financial impact	Response strategy	Description of response strategy
United States of America	Other: Eel River and Russian River Watersheds	Phys-Drought Rep-Community opposition	Other: Managing beneficial uses of water in period of extended drought	PG&E engages with diverse stakeholders related to our ongoing management of the company's hydroelectric system, which consists of 26 projects licensed by the Federal Energy Regulatory Commission (FERC). Stakeholder interest primarily pertains to the levels and timing of stream flows as our hydroelectric facilities do not consume water.	April - August		Engagement with community Engagement with customers Engagement with public policy makers Engagement with other stakeholders in the river	As an example, in response to perilously dry conditions in Lake Pillsbury, a storage reservoir for PG&E's Potter Valley Hydroelectric Project, PG&E brought together key stakeholders, including state and local water resource agencies, federal and state fish and wildlife departments, and local Native American tribes and community groups to form the Lake Pillsbury Drought Working

Country	River basin	Impact indicator	Impact	Description of impact	Length of impact	Overall financial impact	Response strategy	Description of response strategy
							basin Strengthen links with local community Establish site-specific targets	Group. Under our FERC license, PG&E is required to have a minimum amount of water flow downstream from Lake Pillsbury. The Working Group collaborated to make water management decisions that conserve enough water to ensure the health and protection of salmon and steelhead populations in the Eel River, as well as for agricultural and domestic water uses in the Russian River watershed.

W1.4b

Please choose the option below that best explains why you do not know if your organization experienced any detrimental impacts related to water in the reporting year and any plans you have to investigate this in the future

Primary reason	Future plans
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**Further Information**

**Module: Risk Assessment**

**Page: W2. Procedures and Requirements**

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**W2.1**

**Does your organization undertake a water-related risk assessment?**

Water risks are assessed

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**W2.2**

**Please select the options that best describe your procedures with regard to assessing water risks**

Risk assessment procedure	Coverage	Scale	Please explain
Comprehensive company-wide risk assessment	Direct operations and supply chain	All facilities and some suppliers	PG&E's Vice President of Internal Audit is responsible for overseeing enterprise and operational risk management, reporting to the Audit Committees of the PG&E Corporation and Utility Boards. Enterprise-wide Risk and Compliance teams are responsible for guiding PG&E's risk management process, including incorporating management of risks related to water into our integrated planning process. Each line of business has a risk manager and regular Risk and Committee Meetings chaired by the senior-most officer. PG&E's senior executives annually assess our plans to manage risk and compliance, setting the foundation for structured strategy and resource allocation discussions. On an ongoing basis, we evaluate water risks and have a process in place to prioritize infrastructure investments in light of climate change-related risk such as changing rainfall and runoff patterns, storm frequency and intensity, and sea level rise. Risks are reported to shareholders, the public, and other stakeholders through PG&E's Annual Form 10-K and Corporate Responsibility and Sustainability Report, and to regulators via annual reporting requirements.

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**W2.3**

**Please state how frequently you undertake water risk assessments, what geographical scale and how far into the future you consider risks for each assessment**

Frequency	Geographic scale	How far into the future are risks considered?	Comment
Annually	Facility	3 to 6 years	On an annual basis, PG&E incorporates risk into the company's integrated planning process. Each line of business has a dedicated risk manager and regular Risk and Compliance Committee Meetings chaired by the senior-most officer of the line of business. The risk manager is responsible for establishing an inventory of line of business-specific risks, including those related to water.
Six-monthly or more frequently	Facility	3 to 6 years	PG&E maintains an internal Drought Task Force to help address water impacts on PG&E's operations, as well as our customers and communities. Our water-related risk management efforts focus primarily on addressing the ongoing drought in California, climate change, once-through cooling, storm water, drinking water, water use and recycling, and discharge limitations.

#### W2.4

**Have you evaluated how water risks could affect the success (viability, constraints) of your organization's growth strategy?**

Yes, evaluated over the next 10 years

#### W2.4a

**Please explain how your organization evaluated the effects of water risks on the success (viability, constraints) of your organization's growth strategy?**

PG&E recently published its first Climate Change Vulnerability Assessment as part of our participation in the U.S. DOE's Partnership for Energy Sector Climate Resilience, a voluntary, public-private program. The assessment is available at: [http://www.pgecurrents.com/wp-content/uploads/2016/02/PGE\\_climate\\_resilience.pdf](http://www.pgecurrents.com/wp-content/uploads/2016/02/PGE_climate_resilience.pdf)

Among climate risks, the assessment includes changing precipitation patterns and drought conditions. This includes assessing future forecasts for California and certain watersheds in our service area. To address this challenge, PG&E is taking numerous steps, including actively working with the research community to better forecast water availability for hydro generation by installing a next-generation hydrographic data network that integrates satellite remote sensing data with ground-

based measurements. This effort will enable PG&E to better measure and monitor snowpack, climate, soil moisture and other factors to improve monitoring and predictive tools, reduce uncertainty in water forecasts, and adapt to climate change.

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**W2.4b**

What is the main reason for not having evaluated how water risks could affect the success (viability, constraints) of your organization's growth strategy, and are there any plans in place to do so in the future?

Main reason	Current plans	Timeframe until evaluation	Comment

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**W2.5**

**Please state the methods used to assess water risks**

Method	Please explain how these methods are used in your risk assessment
Other: National Integrated Drought Information System (NIDIS) U.S. Drought Portal	National Integrated Drought Information System (NIDIS) U.S. Drought Portal

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**W2.6**

**Which of the following contextual issues are always factored into your organization's water risk assessments?**

Issues	Choose option	Please explain
Current water availability and quality parameters at a local level	Relevant, included	Water availability and quality is vital to PG&E's hydroelectric operations. PG&E used the National Integrated Drought Information System (NIDIS) U.S. Drought Portal to assess facilities located in water stressed areas, as defined by level of drought. Additionally, PG&E employs a team of hydrographers who regularly measure snowpack to determine the spring runoff that ultimately will forecast how much hydroelectricity PG&E will generate for the coming year.
Current water regulatory frameworks and tariffs at a local level	Relevant, included	PG&E tracks legislative and regulatory developments involving water supply and discharge at the local, state, and federal levels. We coordinate with line of business managers to identify emerging issues, as well as evaluate specific regulatory and legislative proposals. Our water- related risk management efforts focus primarily on drought mitigation, climate change, once-through cooling, storm water, drinking water, water use and recycling, and discharge limitations.
Current stakeholder conflicts concerning water resources at a local level	Relevant, included	PG&E's internal Drought Task Force tracks and monitors stakeholder conflicts related to water and works collaboratively to address them across PG&E and at the local, state, and federal levels. PG&E works with diverse stakeholders regarding our ongoing management of the company's hydroelectric system, which consists of 26 projects licensed by the Federal Energy Regulatory Commission (FERC). Stakeholder interest primarily pertains to the levels and timing of stream flows as our hydroelectric facilities do not consume water. For example, in response to perilously dry conditions in Lake Pillsbury, a storage reservoir for PG&E's Potter Valley Hydroelectric Project , PG&E brought together key stakeholders, including state and local water resource agencies, federal and state fish and wildlife departments, and local Native American tribes and community groups to form the Lake Pillsbury Drought Working Group. Under our FERC license, PG&E is required to have a minimum amount of water flow downstream from Lake Pillsbury. The Working Group collaborated to make water management decisions that conserve enough water to ensure the health and protection of salmon and steelhead populations in the Eel River, as well as for agricultural and domestic water uses in the Russian River watershed.
Current implications of water on your key commodities/raw materials	Relevant, included	PG&E's extensive hydroelectric system is an important source of clean energy for our customers. The actions we are currently undertaking to manage drought conditions are examples of our strategies to manage the risk associated with water scarcity.
Current status of ecosystems and habitats at a local level	Relevant, included	As part of PG&E's Land Conservation Commitment, we are permanently protecting some of California's most beautiful watershed lands—totaling more than 140,000 acres— through the donations of fee title and conservation easements on watershed lands to public agencies and qualified conservation organizations. These land donations will enhance or preserve natural habit for fish, wildlife and plants; preserve open space and outdoor recreation for the general public; and protect sustainable forestry, agricultural uses and historic and cultural values in perpetuity. As an example of our efforts, PG&E restored 55 acres of wetland habitat on PG&E property located along the Pacific Flyway, a major path for migratory birds that extends from Alaska to Patagonia.

Issues	Choose option	Please explain
Current river basin management plans	Relevant, included	PG&E actively participates as a stakeholder in the development and implementation of river basin management plans. In light of persistent drought conditions, PG&E is actively working with regulatory agencies and other stakeholders to adjust the required water releases from our reservoirs, where necessary, to lessen the drought's impact on the environment as well as prolong availability of water for downstream users' needs. The reduced flows allow retention of water for later in the year while still preserving environmental values in the affected streams.
Current access to fully-functioning WASH services for all employees		Not applicable
Estimates of future changes in water availability at a local level	Relevant, included	PG&E faces the risk of reduced hydroelectric output from climate change. PG&E employs a team of hydrographers who regularly measure snowpack to determine the spring runoff that ultimately will forecast how much hydroelectricity PG&E will generate for the coming year. PG&E used the NIDIS U.S. Drought Portal to project future water stress and drought conditions at facilities located in water-stressed areas. Through various modeling activities, PG&E evaluates the potential impacts of climate change on its hydroelectric generation system.
Estimates of future potential regulatory changes at a local level	Relevant, included	PG&E tracks legislative and regulatory developments involving water supply and discharge at the local, state, and federal levels. Potential future regulatory changes are assessed in terms of impacts on hydroelectric generation.
Estimates of future potential stakeholder conflicts at a local level	Relevant, included	Throughout the FERC license renewal process for our hydroelectric facilities, PG&E works with stakeholders to assess the impacts of these projects and try to find agreement on appropriate resource management measures -- such as fish and wildlife habitat protection, riverbed conservation, and recreational opportunities -- to include as conditions of the new licenses. We have made it a priority to work collaboratively with our stakeholders, including federal and state agencies, local community members, environmental organizations, fishing interests, and agricultural landholders, throughout the license renewal process.
Estimates of future implications of water on your key commodities/raw materials	Relevant, included	PG&E faces the risk of reduced hydroelectric output from climate change. PG&E employs a team of hydrographers who regularly measure snowpack to determine the spring runoff that ultimately will forecast how much hydroelectricity PG&E will generate for the coming year. PG&E used the NIDIS U.S. Drought Portal to project future water stress and drought conditions at facilities located in water-stressed areas. Through various modeling activities, PG&E evaluates the potential impacts of climate change on its hydroelectric generation system.
Estimates of future potential changes in the status of ecosystems and habitats at a local level	Relevant, included	PG&E's land donations will enhance or preserve natural habit for fish, wildlife and plants; preserve open space and outdoor recreation for the general public; and protect sustainable forestry, agricultural uses and historic and cultural values in perpetuity.
Scenario analysis of availability of sufficient quantity and quality of water relevant for your operations at a local	Relevant, included	PG&E uses a number of sophisticated systems and models to manage this system. To facilitate reservoir and hydroelectric powerhouse operations, PG&E collects a substantial amount of hydrologic data, maintains hydrologic databases, and regularly updates hydrologic models and statistical tracking

Issues	Choose option	Please explain
level		tools. PG&E collects data from a wide array of sensors and gauges that measure meteorological conditions, reservoir elevations, instream and conveyance system flows, and powerhouse output. PG&E is also an active participant in the California Department of Water Resource's Cooperative Snow Surveys Program, helping to collect vital information on the annual winter snowpack accumulation and melt in California, which is publicly available through the California Data Exchange Center.
Scenario analysis of regulatory and/or tariff changes at a local level	Not evaluated	
Scenario analysis of stakeholder conflicts concerning water resources at a local level	Not evaluated	
Scenario analysis of implications of water on your key commodities/raw materials	Not evaluated	
Scenario analysis of potential changes in the status of ecosystems and habitats at a local level	Not evaluated	
Other		

## W2.7

Which of the following stakeholders are always factored into your organization's water risk assessments?

Stakeholder	Choose option	Please explain
Customers	Relevant, included	PG&E provides energy to nearly 16 million people. The strong link between energy and water usage means that there is much PG&E can do. PG&E offers customers a wide range of options to help them reduce their water use through energy efficiency programs.
Employees	Relevant, included	With more than 23,000 employees, PG&E's employee's actions at work and at home are important elements of the company's efforts to reduce water risk. PG&E led a grassroots Water Wise Pledge Campaign that encouraged

Stakeholder	Choose option	Please explain
		employees to make a pledge to reduce their water usage at work and at home.
Investors	Relevant, included	PG&E discloses water risk and actions we are taking to address the historic drought in California in our annual Corporate Responsibility and Sustainability Report and through the CDP information request.
Local communities	Relevant, included	PG&E partners with local communities on water stewardship and natural resource management. We work together to manage risks associated with the drought, including collaborative efforts to reduce the risk of wildfire.
NGOs	Relevant, included	PG&E regularly coordinates with a diverse range of NGOs on water risks and actions to address drought through its cross-departmental Drought Task Force.
Other water users at a local level	Relevant, included	PG&E actively works with other water uses and stakeholders to manage its hydroelectric operations in a way that lessens the drought's impact on the environment as well as prolong availability of water for downstream users' needs.
Regulators	Relevant, included	PG&E works with numerous regulatory agencies to manage its water-related operations. For example, PG&E's hydroelectric system consists of 26 federally licensed projects. During the license renewal process, PG&E has made it a priority to work collaboratively with stakeholders, such as federal and state agencies, local community members, environmental organizations, Native American tribes, fishing interests and agricultural landholders.
River basin management authorities	Relevant, included	PG&E actively participates as a stakeholder in the development and implementation of various water management plans.
Statutory special interest groups at a local level	Relevant, included	PG&E works with watershed organizations and other groups at the local level.
Suppliers	Relevant, included	PG&E maintains supplier environmental performance standards that set our expectation that all top tier suppliers: (1) implement an environmental management system that tracks: greenhouse gas emissions (Scope 1 and 2), energy, water, waste, and compliance with environmental requirements; (2) set voluntary reduction goals; and (3) publicly report their annual performance against goals.
Water utilities/suppliers at a local level	Relevant, included	PG&E reduced municipal water use at our office buildings and service yards by 7.8% compared to the prior year, which exceeded our 4.5% target. This was in addition to the 30% reduction we achieved over the previous five years.
Other		

## W2.8

Please choose the option that best explains why your organisation does not undertake a water-related risk assessment

Primary reason	Please explain
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### Further Information

Each PG&E line of business has a dedicated risk manager and regular Risk and Compliance Committee Meetings chaired by the senior-most officer of the line of business. The risk manager is responsible for establishing an inventory of line of business-specific risks (including those related to water) known as a risk register, and refreshing the risk register annually with input from subject matter experts. This facilitates reporting of new risks and changes to existing risks. At each Risk and Compliance Committee meeting, officers review risk evaluations, approve risk response strategies, and monitor the progress of risk management activities within their organization. These groups determine priorities based on the likelihood and severity of risks and opportunities impacting the business and our customers, and the magnitude of impacts.

### Module: Implications

### Page: W3. Water Risks

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#### W3.1

**Is your organization exposed to water risks, either current and/or future, that could generate a substantive change in your business, operations, revenue or expenditure?**

Yes, direct operations and supply chain

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#### W3.2

**Please provide details as to how your organization defines substantive change in your business, operations, revenue or expenditure from water risk**

PG&E published the results of a third-party led materiality assessment, a project designed to help identify topics that are “material” priorities for the long-term sustainability of our business. The assessment was developed through a structured process that included interviews with internal and external stakeholders.

The assessment identified “water” as one of the material topics, which was defined as “maintaining water quality and availability through company operations and

ensuring the short- and long-term availability of water for other uses.”

More details are available at: [http://www.pgecorp.com/corp\\_responsibility/reports/2015/su02\\_materiality.jsp](http://www.pgecorp.com/corp_responsibility/reports/2015/su02_materiality.jsp)

**W3.2a**

**Please provide the number of facilities\* per river basin exposed to water risks that could generate a substantive change in your business, operations, revenue or expenditure and the proportion this represents of total operations company-wide**

Country	River basin	Number of facilities exposed to water risk	Proportion of total operations (%)	Comment
United States of America	Other: PG&E's hydroelectric generation facilities are located within the Pit, Cow-Battle Creek, Feather, DeSabra, Eel, Yuba, South Fork American, Mokelumne, Stanislaus, Merced, San Joaquin, Kings, Tule, and Kern River System Watersheds	50	51-60	PG&E operates 67 powerhouses. This proportion is based on the generation capacity of PG&E's hydroelectric generation system (3,896 MW) divided by the total generation capacity of the power plants PG&E owns and operates (7,691 MW). Climate scientists predict that climate change will result in significant reductions in snowpack in parts of the Sierra Nevada Mountains. This impact could, in turn, affect PG&E's hydroelectric generation.
United States of America	Other: Central Coast Region of California	1	21-30	PG&E operates two units at Diablo Canyon Power Plant. This proportion is calculated by dividing the generation capacity of the facility (2,240 MW) by the total generation capacity of the power plants PG&E owns and operates (7,691 MW). It is important to note that while located in a water-stressed area, Diablo Canyon relies on salt water from the Pacific Ocean, not freshwater, for once-through cooling. In addition, Diablo Canyon primarily uses freshwater produced through seawater reverse osmosis. This freshwater is used in the plant's steam generation cycle, in closed cooling systems for auxiliary equipment, emergency fire water systems, and supply for the site's domestic drinking water system. Freshwater from well water is also used in limited circumstances, primarily as a back-up water supply for the plant's reverse osmosis

Country	River basin	Number of facilities exposed to water risk	Proportion of total operations (%)	Comment
				system. The well water resource is confined to a topographically isolated aquifer at the Diablo Canyon Power Plant site.

**W3.2b**

Please provide the proportion of financial value that could be affected at river basin level associated with the facilities listed in W3.2a

Country	River basin	Financial reporting metric	Proportion of chosen metric that could be affected within the river basin	Comment
United States of America	Other: PG&E's hydroelectric generation facilities are located within the Pit, Cow-Battle Creek, Feather, DeSabra, Eel, Yuba, South Fork American, Mokelumne, Stanislaus, Merced, San Joaquin, Kings, Tule, and Kern River System Watersheds	% generation capacity	51-60	This proportion is based on the generation capacity of PG&E's hydroelectric generation system (3,896 MW) divided by the total generation capacity of the power plants PG&E owns and operates (7,691 MW).
United States of America	Other: Central Coast Region of California	% generation capacity	21-30	This proportion is calculated by dividing the generation capacity of Diablo Canyon Power Plant (2,240 MW) by the total generation capacity of the power plants PG&E owns and operates (7,691 MW).

**W3.2c**

Please list the inherent water risks that could generate a substantive change in your business, operations, revenue or expenditure, the potential impact to your direct operations and the strategies to mitigate them

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
United States of America	Other: PG&E's hydroelectric generation facilities are located within the Pit, Cow-Battle Creek, Feather, DeSabra, Eel, Yuba, South Fork American, Mokelumne, Stanislaus, Merced, San Joaquin, Kings, Tule, and Kern River System Watersheds	Physical-Dependency on hydropower	Plant/production disruption leading to reduced output	PG&E faces the risk of reduced hydroelectric output. (PG&E owns and operates the nation's largest investor-owned hydroelectric system, which relies on nearly 100 reservoirs located primarily in the higher elevations of California's Sierra Nevada and Southern Cascade mountain ranges.) Climate scientists predict that climate	>6 years	Highly probable	Medium-high	Engagement with community Engagement with customers Engagement with public policy makers Engagement with other stakeholders in the river basin Strengthen links with local community	Development and calibration of new distributed runoff forecasting models are enabling PG&E to improve planning and better manage increased variability and extremes. Possible storage projects that would help mitigate the expected snowpack decline could potentially include the development of pump storage projects, new reservoir	Management costs are projected to be less than 1% of operating revenue, which was nearly \$17 billion in 2015.

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				<p>change will result in significant reductions in snowpack in parts of the Sierra Nevada Mountains. This impact could, in turn, affect PG&amp;E's hydroelectric generation. Annual cost of impacts of climate change on hydroelectric production would vary greatly by year. In 2016, the Pacific Institute released an assessment of the costs to California of lost hydroelectricity during the four years of drought from October 2011 to the end of</p>					capacity, and additional capacity from other energy sources.	

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				September 2015. The report found that the four years of drought led to an increase in electricity costs of more than \$2 billion and the additional combustion of fossil fuels for electric generation also led to a 10% increase in the release of carbon dioxide from California power plants.						
United States of America	Other: Flooding from storm events	Physical-Climate change Physical-Flooding	Property damage	Storm events can significantly impact PG&E's operations, create the need for emergency response from PG&E crews	>6 years	Probable	Medium	Develop flood emergency plans Engagement with community Engagement with customers Engagement	PG&E meteorologists have implemented a storm model that provides the utility advance forecasts of wind, rain, lightning, and	

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				<p>and require investments in infrastructure to make the system more resilient. There is an additional risk of infrastructure damage, customer outages and operational costs due to weather factors such as flooding, high winds and heavy snow. In April, 2015, the Bay Area Council Economic Institute published "Surviving the Storm," a report that finds that a Superstorm and the associated flooding could have a \$10.4 billion impact</p>				<p>with public policy makers Infrastructure investment Infrastructure maintenance Greater due diligence Promote best practice and awareness Strengthen links with local community</p>	<p>heavy snow event intensities in terms of outage estimates for each local PG&amp;E Division and storm timing. PG&amp;E also maintains a drought task force, and an internal climate change science team that monitors drought from a climate change perspective.</p>	

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				on the Bay Area economy. Included in the report is PG&E's estimate that disruption to our Bay Area substations could result in an economic impact of up to \$125 million. This estimate represents the associated outage cost—or loss of value—to PG&E customers, not the cost of replacing or repairing equipment.						
United States of America	Other: Sea level rise	Physical-Climate change Physical-Flooding	Property damage	PG&E faces the risk of higher inundation and flooding potential at coastal and low elevation	>6 years	Probable	Medium-high	Develop flood emergency plans Engagement with community Engagement	PG&E engineers are evaluating low elevation electric and gas facilities to determine site specific	

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				<p>facilities due to sea level rise when combined with high tides, storm runoff, and storm surges. There is the risk of levee erosion or failure, putting assets at risk. PG&amp;E also faces the risk of damage to substations and other gas and electric infrastructure. PG&amp;E is partnering with researchers at the UC Berkeley Center for Catastrophic Risk Management on a study to better understand how our gas transmission infrastructure may be</p>				<p>with customers Engagement with public policy makers Infrastructure investment Infrastructure maintenance Greater due diligence Promote best practice and awareness Strengthen links with local community</p>	<p>sea level rise risks. Where risks are identified, temporary mitigation measures can be initiated while permanent engineered adaptations are planned.</p>	

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				impacted under the future risk of sea level rise coupled with a storm surge event. Based on a preliminary review of a worst case scenario of 1.4 meters of sea level rise coupled with a 100 year storm event, PG&E estimated the cost of mitigation efforts would be between \$4 and \$7 million annually.						

W3.2d

Please list the inherent water risks that could generate a substantive change in your business operations, revenue or expenditure, the potential impact to your supply chain and the strategies to mitigate them

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
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W3.2e

Please choose the option that best explains why you do not consider your organization to be exposed to water risks in your direct operations that could generate a substantive change in your business, operations, revenue or expenditure

Primary reason	Please explain
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W3.2f

Please choose the option that best explains why you do not consider your organization to be exposed to water risks in your supply chain that could generate a substantive change in your business, operations, revenue or expenditure

Primary reason	Please explain
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W3.2g

Please choose the option that best explains why you do not know if your organization is exposed to water risks that could generate a substantive change in your business operations, revenue or expenditure and discuss any future plans you have to assess this

Primary reason	Future plans
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**Further Information**

**Page: W4. Water Opportunities**

**W4.1**

**Does water present strategic, operational or market opportunities that substantively benefit/have the potential to benefit your organization?**

Yes

**W4.1a**

**Please describe the opportunities water presents to your organization and your strategies to realize them**

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Please explain
Company-wide	Sales of new products/services	PG&E offers customers a wide range of options to help them reduce their water use. Our water-saving solutions for residential customers include energy efficiency rebates for high-efficiency appliances, such as clothes washers and shower heads, and free wood chips for landscape mulching, which reduces evaporation. We also offer incentives to agricultural customers who convert from sprinkler	Current-up to 1 year	Altogether, customers who participated in PG&E's programs reduced water usage by about 1.2 billion gallons in 2015.

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Please explain
		systems to water-efficient drip irrigation, as well as programs for energy efficient pumping systems and more.		
Company-wide	Other: Employee engagement	PG&E led a grassroots Water Wise Pledge Campaign that encouraged employees to make a pledge to reduce their water usage at work and at home.	Current-up to 1 year	Twenty percent of our workforce pledged to take actions such as taking shorter showers, checking for leaks and installing water-saving aerators.
Company-wide	Improved water efficiency	We achieved water reductions in our offices and service yards by finding and repairing leaks and replacing facility landscapes with drought-resistant designs, plants and materials. Outside 60 of our facilities, browning lawns displayed signs supporting the state's Save Our Water drought message.	Current-up to 1 year	We reduced water use by 7.8% compared to the prior year, which exceeded our 4.5% target. This was in addition to the 30% percent reduction we achieved over the previous five years.
Company-wide	Innovation	PG&E's San Francisco Service Center Garage Building achieved LEED Platinum after a remodel and seismic retrofit. As part of the remodel, we created a system to capture groundwater from an aquifer that runs under the building and use it for the building's cooling system.	Current-up to 1 year	PG&E was presented with the U.S. Green Building Award for the innovative water reuse system.
Company-wide	Collective Action	PG&E held a Water Conservation Showcase at our Pacific Energy Center in San Francisco, bringing together hundreds of industry professionals to hear from experts and engage with new technologies. For PG&E, the event is an extension of our focus on energy efficiency and sustainability, highlighting the direct connection between water and energy use.	Current-up to 1 year	
Company-wide	Collective Action	PG&E placed a "Save Our Water" message on bills and envelopes sent to 4 million customers. Our 1.7 million e-bill customers received the drought message in e-bill inserts. We posted "Severe drought warning" signage at 200 buildings as well as at PG&E's campgrounds located near our hydroelectric facilities.	Current-up to 1 year	
Company-wide	Climate change adaptation	PG&E provided \$2 million in funding to local Fire Safe Councils for projects including creating emergency access roads and fire breaks, clearing fire fuel and helping residents create defensible space. PG&E also provided funding for daily aerial fire patrols along four routes to assist state and local fire agencies with early detection and response to stop fires from spreading.	Current-up to 1 year	

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W4.1b

Please choose the option that best explains why water does not present your organization with any opportunities that have the potential to provide substantive benefit

Primary reason	Please explain
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W4.1c

Please choose the option that best explains why you do not know if water presents your organization with any opportunities that have the potential to provide substantive benefit

Primary reason	Please explain
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**Further Information**

**Module: Accounting**

**Page: W5. Facility Level Water Accounting (I)**

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W5.1

**Water withdrawals: for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a**

Facility reference number	Country	River basin	Facility name	Total water withdrawals (megaliters/year) at this facility	How does the total water withdrawals at this facility compare to the last reporting year?	Please explain
Facility 1	United States of America	Other: Central Coast Region of California	Diablo Canyon Power Plant	3259482	Higher	This figure represents the volume of once-through cooling seawater (not freshwater) at Diablo Canyon Power Plant.

#### Further Information

PG&E owns and operates the nation's largest investor-owned hydroelectric system with a total generating capacity of nearly 4,000 MW. This system is non-consumptive (except for water evaporation) -- waters flow through our turbines back into the streams and rivers.

#### Page: W5. Facility Level Water Accounting (II)

#### W5.1a

**Water withdrawals:** for the reporting year, please provide withdrawal data, in megaliters per year, for the water sources used for all facilities reported in W5.1

Facility reference number	Fresh surface water	Brackish surface water/seawater	Rainwater	Groundwater (renewable)	Groundwater (non-renewable)	Produced/process water	Municipal water	Wastewater from another organization	Comment
Facility 1	0	3259481	0	31	0	0	0	0	The "Brackish surface water/seawater" figure represents the volume of saltwater used for

Facility reference number	Fresh surface water	Brackish surface water/seawater	Rainwater	Groundwater (renewable)	Groundwater (non-renewable)	Produced/process water	Municipal water	Wastewater from another organization	Comment
									once-through cooling at Diablo Canyon power plant, as well as the saltwater used to produce (via reverse osmosis) the majority of the plant's freshwater.

**W5.2**

**Water discharge: for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a**

Facility reference number	Total water discharged (megaliters/year) at this facility	How does the total water discharged at this facility compare to the last reporting year?	Please explain
Facility 1	3259498	Higher	These figures incorporate once-through cooling discharge (equivalent to withdrawal) plus estimated reverse osmosis system brine/backwash discharge. These figures also incorporate permitted freshwater discharge.

**W5.2a**

**Water discharge: for the reporting year, please provide water discharge data, in megaliters per year, by destination for all facilities reported in W5.2**

Facility reference number	Fresh surface water	Municipal/industrial wastewater treatment plant	Seawater	Groundwater	Wastewater for another organization	Comment
Facility 1	0	532	3258967	0	0	These figures incorporate once-through cooling discharge (equivalent to withdrawal) plus estimated reverse osmosis system brine/backwash discharge. These figures also incorporate permitted freshwater discharge.

### W5.3

Water consumption: for the reporting year, please provide water consumption data for all facilities reported in W3.2a

Facility reference number	Consumption (megaliters/year)	How does this compare to the last reporting year?	Please explain
Facility 1	31	About the same	

### W5.4

For all facilities reported in W3.2a what proportion of their water accounting data has been externally verified?

Water aspect	% verification	What standard and methodology was used?

Water aspect	% verification	What standard and methodology was used?
Water withdrawals- total volumes	Not verified	
Water withdrawals- volume by sources	Not verified	
Water discharges- total volumes	Not verified	
Water discharges- volume by destination	Not verified	
Water discharges- volume by treatment method	Not verified	
Water discharge quality data- quality by standard effluent parameters	Not verified	
Water consumption- total volume	Not verified	

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**Further Information**

**Module: Response**

**Page: W6. Governance and Strategy**

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**W6.1**

**Who has the highest level of direct responsibility for water within your organization and how frequently are they briefed?**

Highest level of direct responsibility for water issues	Frequency of briefings on water issues	Comment
Board of individuals/Sub-set of the Board or other committee appointed by the Board	Scheduled-annual	The Compliance and Public Policy Committee of the PG&E Corporation Board of Directors has responsibility for environmental policies and programs. PG&E Corporation's Chief Executive Officer (CEO) has the overall responsibility for water issues within the company. PG&E's Vice President of Federal Affairs and Policy and Chief Sustainability Officer leads PG&E's efforts to address water consumption in the company's operations.

**W6.2**

**Is water management integrated into your business strategy?**

Yes

**W6.2a**

**Please choose the option(s) below that best explain how water has positively influenced your business strategy**

<b>Influence of water on business strategy</b>	<b>Please explain</b>
Alignment of public policy positions with water stewardship goals	Water is essential to operating our infrastructure—including our vast network of hydroelectric generating stations—just as it is essential to our customers in their daily lives. At the same time, about 19% of California’s electricity usage goes toward moving, treating, disposing of, heating and consuming water. This connection, also known as the “water-energy nexus,” places PG&E in a unique position to help our state and our customers. PG&E’s response to the state’s historic drought conditions is governed by an internal Drought Task Force, which works to identify and address impacts on PG&E’s operations, on our customers and in our communities. The strong link between energy and water usage means that there is much we can do PG&E is working proactively to respond to the drought in a number of ways: • Strategically managing our power generation facilities • Reducing water consumption at PG&E offices and service yards • Coordinating with key agencies to prevent and respond to wildfires • Providing outreach and guidance to customers, particularly those in the agricultural community, on how to reduce water usage
Establishment of sustainability goals	For PG&E, sustainability means meeting the needs of today in a way that creates a better tomorrow. We want the actions we take and decisions we make to enable a better quality of life for our customers, communities and the planet. This includes driving solutions to local and global environmental challenges, including those related to water.
Introduction of water management KPIs	PG&E sets goals to reduce water use at offices and facilities. In 2015, we reduced water use by 7.8 percent compared to the prior year, which exceeded our 4.5 percent target. This was in addition to the 30 percent reduction we achieved over the previous five years.
Water is factored into procurement directives	PG&E uses a competitive bid process to review and select renewable and conventional electric power for our customers. For renewable and new sources of conventional power, PG&E may conduct an environmental review as part of the due diligence process, considering factors such as water quality and availability.

Influence of water on business strategy	Please explain
Greater supplier engagement	PG&E maintains supplier environmental performance standards that set our expectation that all top tier suppliers: (1) implement an environmental management system that tracks greenhouse gas emissions (Scope 1 and 2), energy, water, waste, and compliance with environmental requirements; (2) set voluntary reduction goals; and (3) publicly report their annual performance against goals.
Greater customer engagement	PG&E offers customers a wide range of options to help them reduce their water use. Our water-saving solutions for residential customers include energy efficiency rebates for high-efficiency appliances, such as clothes washers and shower heads, and free wood chips for landscape mulching, which reduces evaporation. We also offer incentives to agricultural customers who convert from sprinkler systems to water-efficient drip irrigation, as well as programs for energy efficient pumping systems and more.
Greater employee engagement	PG&E led a grassroots Water Wise Pledge Campaign that encouraged employees to make a pledge to reduce their water usage at work and at home. Twenty percent of our workforce pledged to take actions such as taking shorter showers, checking for leaks and installing water-saving aerators.
Greater regulator engagement	

**W6.2b**

**Please choose the option(s) below that best explains how water has negatively influenced your business strategy**

Influence of water on business strategy	Please explain
Other: Wildfire risk posed by tree mortality	PG&E has supported CAL FIRE's "Prepare for Bark Beetle" public awareness campaign by increasing inspections and pruning or removing hazardous trees around our power lines. We also provided funding to support CAL FIRE's outreach to inform homeowners about the wildfire risk posed by bark beetles and how to safely take action.

**W6.2c**

Please choose the option that best explains why your organization does not integrate water management into its business strategy and discuss any future plans to do so

Primary reason	Please explain
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**W6.3**

**Does your organization have a water policy that sets out clear goals and guidelines for action?**

Yes

**W6.3a**

**Please select the content that best describes your water policy (tick all that apply)**

Content	Please explain why this content is included
Publicly available Company-wide Commitment to customer education Incorporated within group environmental, sustainability or EHS policy	PG&E's corporate environmental policy states the company's commitment to "continue to pursue efforts to ... reduce water consumption." The policy also states the company's commitment to "comply fully with the letter and spirit of all applicable environmental laws and regulations" and to "seek opportunities to exceed current standards of environmental protection, including pollution prevention, climate protection, and habitat and species protection." PG&E set and exceeded a five-year target for reducing water consumption at offices and service yards. There are several other aspects to PG&E's water conservation and management efforts: Using air for cooling (versus once-through or closed-cycle "wet" cooling) at repowered and new generation facilities, Developing plans to manage the potential future impacts of climate change on our hydroelectric system, Working with suppliers to reduce their water use, Helping customers reduce their water use, Using best management practices in maintenance and construction projects to protect water quality.

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**W6.4**

How does your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) during the most recent reporting year compare to the previous reporting year?

Water CAPEX (+/- % change)	Water OPEX (+/- % change)	Motivation for these changes
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**Further Information**

**Page: W7. Compliance**

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**W7.1**

Was your organization subject to any penalties, fines and/or enforcement orders for breaches of abstraction licenses, discharge consents or other water and wastewater related regulations in the reporting year?

Yes, not significant

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**W7.1a**

Please describe the penalties, fines and/or enforcement orders for breaches of abstraction licenses, discharge consents or other water and wastewater related regulations and your plans for resolving them

Facility name	Incident	Incident description	Frequency of occurrence in reporting year	Financial impact	Currency	Incident resolution
Diablo Canyon Power Plant	Penalty	Violations of effluent limits in Diablo Canyon's NPDES permit in prior years.	0	6000	USD(\$)	Issue has been resolved.

#### W7.1b

What proportion of your total facilities/operations are associated with the incidents listed in W7.1a

21%

#### W7.1c

Please indicate the total financial impacts of all incidents reported in W7.1a as a proportion of total operating expenditure (OPEX) for the reporting year. Please also provide a comparison of this proportion compared to the previous reporting year

Impact as % of OPEX	Comparison to last year
0	No change

#### Further Information

With regards to W7.1b, as a percentage of generation capacity, Diablo Canyon Power Plant represents 21-30%.

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**W8.1**

**Do you have any company wide targets (quantitative) or goals (qualitative) related to water?**

Yes, targets and goals

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**W8.1a**

**Please complete the following table with information on company wide quantitative targets (ongoing or reached completion during the reporting period) and an indication of progress made**

Category of target	Motivation	Description of target	Quantitative unit of measurement	Base-line year	Target year	Proportion of target achieved, % value
Reduction in consumptive volumes	Water stewardship	We reduced water use by 7.8% compared to the prior year, which exceeded our 4.5% target. This was in addition to the 30% reduction we achieved over the previous five years. We accomplished these reductions by finding and repairing leaks and replacing facility landscapes with drought-resistant designs, plants and materials.	% reduction of water sourced from municipal supply	2014	2015	100%
Other: Employee engagement	Water stewardship	PG&E led a grassroots Water Wise Pledge Campaign that encouraged employees to make a pledge to reduce their water usage at work and at home. We achieved our goal of having 20% percent of our workforce pledge to take actions such as taking shorter showers, checking for leaks and installing water-saving aerators.	Other: % employee participation	2013	2015	100%

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**W8.1b**

**Please describe any company wide qualitative goals (ongoing or reached completion during the reporting period) and your progress in achieving these**

Goal	Motivation	Description of goal	Progress
Educate customers to help them minimize product impacts	Sales of new products/services	PG&E offers customers a wide range of options to help them reduce their water use. Our water-saving solutions for residential customers include energy efficiency rebates for high-efficiency appliances, such as clothes washers and shower heads, and free wood chips for landscape mulching, which reduces evaporation. We also offer incentives to agricultural customers who convert from sprinkler systems to water-efficient drip irrigation, as well as programs for energy efficient pumping systems and more.	Customers who participated in PG&E's programs reduced water usage by about 1.2 billion gallons in 2015.
Educate customers to help them minimize product impacts	Water stewardship	PG&E worked in partnership with the state to raise awareness about water conservation.	PG&E placed a "Save Our Water" message on bills and envelopes sent to 4 million customers. Our 1.7 million e-bill customers received the drought message in e-bill inserts. We posted "Severe drought warning" signage at 200 buildings as well as at PG&E's campgrounds located near our hydroelectric facilities.
Engagement with public policy makers to advance sustainable water policies and management	Water stewardship	In response to California's drought, Governor Brown called on businesses to reduce water use by 20%. In response, PG&E continues to work diligently to steward our water resources in a responsible manner. Our internal Drought Task Force continues to drive partnerships and strategies to help PG&E and the state respond and work towards solutions.	Generally, PG&E tracks legislative and regulatory developments involving water supply and discharge at the local, state, and federal levels. We coordinate with line of business managers to identify emerging issues, as well as evaluate specific regulatory and legislative proposals. Our water-related risk management efforts focus primarily on addressing the current drought, climate change, once-through cooling, storm water, drinking water, water use and recycling, and discharge limitations.
Sustainable agriculture	Cost savings	Expanded agricultural energy efficiency programs and incentives.	We continue to develop rebates and incentives on water and energy-saving appliances and equipment for our agricultural customers, including pump efficiency, variable frequency drives and energy efficiency financing. We are developing new approaches for managing irrigation and using audits to recommend energy and water conservation for food processing facilities. We are also helping customers replace sprinklers for field crops with more water efficient drip

Goal	Motivation	Description of goal	Progress
			systems.

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W8.1c

Please explain why you do not have any water-related targets or goals and discuss any plans to develop these in the future

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**Further Information**

**Module: Linkages/Tradeoff**

**Page: W9. Managing trade-offs between water and other environmental issues**

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W9.1

**Has your organization identified any linkages or trade-offs between water and other environmental issues in its value chain?**

Yes

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W9.1a

**Please describe the linkages or trade-offs and the related management policy or action**

Environmental issues	Linkage or trade-off	Policy or action
Water use reduction through energy efficiency	Linkage	PG&E's energy efficiency programs enable its residential and business customers to reduce water use, by incentivizing energy efficiency. Incentives for residential customers include energy efficiency rebates for high-efficiency appliances, such as clothes washers and shower heads, and free wood chips for landscape mulching, which reduces evaporation. We offer incentives to agricultural customers who convert from sprinkler systems to water-efficient drip irrigation, as well as programs for energy efficient pumping systems and more.

**Further Information**

**Module: Sign Off**

**Page: Sign Off**

**W10.1**

Please provide the following information for the person that has signed off (approved) your CDP water response

Name	Job title	Corresponding job category
Melissa Lavinson	Vice President, Federal Affairs and Policy and Chief Sustainability Officer, PG&E Corporation	Other: Vice President, Federal Affairs and Policy and Chief Sustainability Officer

**W10.2**

Please select if your organization would like CDP to transfer your publicly disclosed response strategy from questions W1.4a, W3.2c and W3.2d to the CEO Water Mandate Water Action Hub.

No

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**Further Information**

**CDP 2016 Water 2016 Information Request**