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**AMENDMENT TO
LOAN AGREEMENT FOR DIABLO CANYON NUCLEAR POWER PLANT**

This AMENDMENT (“**Amendment**”) to the LOAN AGREEMENT FOR DIABLO CANYON NUCLEAR POWER PLANT is made by and between PACIFIC GAS AND ELECTRIC COMPANY (“**PG&E**”) and the CALIFORNIA DEPARTMENT OF WATER RESOURCES (“**DWR**”) as of the Amendment Execution Date (as defined below). PG&E and DWR are referred to herein individually as a “**Party**” and collectively as the “**Parties**”.

RECITALS

WHEREAS, PG&E and DWR are parties to that certain Loan Agreement for Diablo Canyon Nuclear Power Plant, dated and executed by the Parties on October 18, 2022 (the “**Agreement**”) for DWR to loan to PG&E funds appropriated by the California Senate Bill 846 (“**SB 846**”) for PG&E to pursue extended operations of the Diablo Canyon Nuclear Power Plant (“**DCPP**”);

WHEREAS, under SB 846 the legislature made available one billion four hundred million dollars (\$1,400,000,000) from the state’s General Fund to be loaned to PG&E pursuant to a loan agreement between PG&E and DWR. By the passage of the bill the legislature authorized transfer of an initial six hundred million dollars (\$600,000,000) from the General Fund to DWR with an intention for a future transfer of an additional eight hundred million dollars (\$800,000,000) to be transferred to DWR to be loaned to PG&E under the Agreement, pursuant to a future legislative authorization;

WHEREAS, the Agreement as originally drafted and executed contemplated a transfer of all additional eight hundred million dollars (\$800,000,000) from the state to the DWR pursuant to additional legislative authorization to occur by September 30, 2023;

WHEREAS, since the execution of the Agreement it has become clear that the transfer of the additional funds may be pursuant to one or more transfer of funds from the state to DWR which collectively will likely be completed after September 30, 2023. Accordingly, the Parties now desire to amend the Agreement to make certain minor revisions to properly account for the transfer of the future funds from the state to DWR under the Agreement; and

WHEREAS, DWR has determined that for logistical reasons, the administration of payment for Tranche A Performance-Based Disbursements should be extended to Tranche B and C Performance-Based Disbursements.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Amendment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

1. Amendments to the Agreement. The Agreement is hereby amended as follows:

(a) Amendment to Section 7(a)(iii):

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Section 7(a)(iii) of the Agreement is hereby deleted in its entirety and replaced by the following: “prior to the end of the DOE Recapture Period, in the event the Additional State Fund Authorization is less than Eight Hundred Million Dollars (\$800,000,000) and there are insufficient funds to satisfy PG&E Authorized Expenses incurred or committed, then the Escrow Agent shall release and transfer Escrow Funds to PG&E for PG&E’s use in accordance with the DOE award agreement, up to an amount equal to Eight Hundred Million Dollars (\$800,000,000) minus the sum of any Additional State Fund Authorization.”

(b) Amendment to Section 5(e):

Section 5(e) of the Agreement is hereby deleted in its entirety and replaced by the following: *Performance-Based Disbursement.* DWR shall pay to PG&E a monthly performance-based disbursement equal to Seven Dollars (\$7) for each megawatt hour generated by each of Unit 1 and Unit 2 as measured by the California Independent System Operator’s revenue meters for each unit (“CAISO Meters”) during the period commencing on September 2, 2022, the effective date of SB 846, and ending on, and inclusive of, the Current Expiration Dates for each of Unit 1 or Unit 2, as applicable (the “Performance-Based Disbursement”). By the tenth (10th) day of each month PG&E shall deliver an invoice to DWR setting forth its calculation of the Performance-Based Disbursement for the preceding month including the amount of generation for such month recorded by the CAISO Meters. The first such invoice shall be issued on the tenth (10th) day of November 2022, such invoice shall include a calculation of the Performance-Based Disbursement for the period beginning on September 2, 2022 through October 31, 2022 and shall include the amount of generation recorded during such period. Upon the delivery of such invoice by PG&E, the Performance-Based Disbursement shall be due and payable. DWR shall (i) disburse the amount set forth in PG&E’s invoice within thirteen (13) Business Days after receipt of such invoice, or (ii) issue notice to PG&E authorizing release of the invoiced amounts to be used by PG&E as Performance-Based Disbursements from amounts previously disbursed by DWR to be held by PG&E for such purpose or for Authorized Expenses; provided that PG&E continues efforts to pursue activities necessary or appropriate to achieve the Extended Operating Period and DCPD is operated in a safe and reliable manner. The aggregate total amount of Performance-Based Disbursements under this Agreement shall not exceed Three Hundred Million Dollars (\$300,000,000). Once paid, PG&E may use the proceeds of the Performance-Based Disbursements for any business purpose, except as otherwise prohibited by SB 846, or Section 8.b. Performance-Based Disbursements shall be fully subject to the Repayment and Forgiveness provisions of Section 7.

(c) Amendment to Section 14:

The DWR contact information for notices shall be deleted in its entirety and changed to the following:

Name: Eric Wulff

Title: Manager, Power Markets and Contracts Branch, Electricity Supply and Strategic Reserve Office

Mailing Address:

715 P Street, 8th Floor

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Sacramento, California

95814

Email: Eric.Wulff@water.ca.gov

Phone: (916) 717-1582

2. No Other Modifications. Except as otherwise expressly modified hereby, the Agreement remains in full force and effect. If there is a conflict between the terms of the Agreement and the terms of the Amendment that are effective pursuant to the terms herein, the terms of the Amendment that are effective shall control. From and after the Amendment Execution Date, all references in the Agreement (including all Appendices and Schedules thereto) to the "Agreement" shall be understood to mean the Agreement as amended by the Amendment. All capitalized terms used but not otherwise defined in this Amendment shall have the meanings defined in the Agreement; and the rules of interpretation set forth in the Agreement shall also apply to the interpretation of this Amendment.
3. Miscellaneous.
 - (a) Governing Law; Dispute Resolution, Confidentiality. The Amendment shall be governed by the governing law provisions in Section 17 of the Agreement. The Parties agree to comply with the dispute resolution provisions in Section 10 of the Agreement with respect to any dispute relating to the Amendment. The Parties agree that the confidentiality provisions in Section 12 of the Agreement shall apply to this Amendment and that any references therein to the Agreement shall include this Amendment.
 - (b) Headings. Headings in the Amendment are included herein for convenience of reference only and shall not constitute a part of the Amendment for any other purpose.
 - (c) Execution in Counterparts, Electronic Signatures and Document Transmission. This Amendment may be executed in counterparts, and, upon execution by each signatory, each executed counterpart shall have the same force and effect as an original instrument and as if all signatories had signed the same instrument. The Parties may execute this Amendment by manual signature or by electronic signature, each of which shall have the same force and effect. A signed copy of this Amendment transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Amendment for all purposes, to the extent provided under applicable law, including California's Uniform Electronic Transactions Act.
 - (d) Any Amendments or Modifications. The Amendment may only be amended or otherwise modified in writing signed by each of the Parties.
 - (e) Notices. Any Notice required to be given under the terms of this Amendment shall be given in accordance with Section 14 of the Agreement.

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(f) Entire Agreement. This Amendment constitutes the entire agreement between the Parties relating to the subject matter hereof and shall supersede all other prior or contemporaneous understandings or agreements, both written and oral, between the Parties relating to the subject matter hereof.

IN WITNESS WHEREOF, the Parties have caused the Amendment to be executed by their duly authorized representatives, as of the latest date set forth in the signature blocks below (the “**Amendment Execution Date**”). By signing the Amendment, the representatives of the Parties warrant that they have the requisite authority to bind their respective principals.

CALIFORNIA DEPARTMENT OF WATER RESOURCES (with respect to its responsibilities pursuant to Senate Bill 846 (Stats. 2022, ch. 239), and separate and apart from its powers and responsibilities with respect to the State Water Resources Development System or any other responsibilities of the Department)

PACIFIC GAS AND ELECTRIC COMPANY, a California corporation

By: Delphine Hou

By: Maureen Zawalick

Name: Delphine Hou

Name: Maureen Zawalick

Title: Deputy Director

Title: Vice President, Business and Technical Services

Date: 7/7/2023

Date of Signature: 7/6/2023

APPROVED TO FORM:
OFFICE OF GENERAL COUNSEL (DWR)

By: Colin A. Wood

Name: Colin A. Wood

Title: Senior Staff Counsel

Date of Signature: 7/6/2023