A CASE STUDY

The Bankruptcy of PG&E

Helping credit investors gain clarity in an escalating situation

CHALLENGE

The aftermath of the 2018 Camp Fire left PG&E investors uncertain about the probability of default. The situation continued to destabilize when the company declared bankruptcy in 2019 and still further after the Kincade Fire and California blackouts. With the fate of PG&E unclear, investors needed to gain perspective on incurred liabilities, subrogation claims, regulatory pressures, and how bankruptcy would impact contracts PG&E had with energy suppliers.

THE GLG SOLUTION

GLG assembled a team of executives in insurance and utilities sectors and former state politicians to provide actionable insights both pre- and post-PG&E's bankruptcy declaration. We used a combination of research methodologies to cover the situation as it evolved.

Pre-Declaration GLG facilitated more than 60 calls with executives and former politicians across core and adjacent markets. These experts provided different perspectives on the ramifications of the bankruptcy to bond holders and other investors.

Additionally, we hosted more than 30 teleconferences, that included former executives from the California Public Utilities Commission who provided insight on comparable disasters, and experts formerly from the California Department of Forestry and Fire Protection who provided insight into the scope of the damage from the fires. Custom written reports were also available to clients with in-depth research conducted by weather experts to help clients identify the potential for future liabilities.

Post-Declaration GLG conducted more than 15 roundtables, which included conversations hosted by former California regulators. These regulators explained the power of the California Public Utilities Commission in the bankruptcy. Former state legislators were also present, and they shed light on the political implications. Beginning in June 2019, GLG hosted monthly phone calls with a current bankruptcy attorney who monitored every relevant PG&E bankruptcy hearing, including post-petition rate setting, subrogation groups' impairment, and more.

Why GLG?

Project Breadth Pre-Declaration:

60

calls with executives and former politicians across core and adjacent markets.

30+

teleconferences featuring former executives from the California Public Utilities Commission and the California Department of Forestry and Fire Protection.

Project Breadth Post-Declaration:

In-depth research conducted by a weather expert to identify areas of high risk of fire, which clients overlaid with data about the location of PG&E's infrastructure to identify the potential for additional liability risk.

15+

deep-dive Roundtables.

Monthly phone calls with a current bankruptcy attorney who monitored every relevant PG&E bankruptcy hearing.

GLG

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GLG connected clients to insights that helped them navigate the challenges that PG&E faced and delivered findings that demonstrated the overall state of the company.

OUTCOME

GLG's constant coverage of PG&E provided insights to investors on how much they could expect to recover and a deeper understanding of the overall outlook of the company.

FEATURED PRODUCTS

GLG Consultations

GLG Projects

GLG Events

Learn More

GLG is the world's knowledge marketplace. We connect clients with insights from our network of more than 700,000 experts and the hundreds of new experts we recruit every day.
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