



June 30, 2020

Wildfire Safety Division  
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California Public Utilities Commission  
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San Francisco, CA 94102 e-mail to: [wildfiresafetydivision@cpuc.ca.gov](mailto:wildfiresafetydivision@cpuc.ca.gov)  
service to R.18-10-007 service list

Re: Request for Stakeholder Input on the WSD's Proposed Strategic Roadmap

Ladies and Gentlemen:

Thank you for the opportunity to comment on the California Public Utilities Commission (CPUC) Wildfire Safety Division (WSD) Proposed Strategic Roadmap, May 2020 Draft Reducing Utility-Related Wildfire Risk: Utility Wildfire Mitigation Strategy and Roadmap for the Wildfire Safety Division ("Roadmap"). I write in my personal capacity as a California citizen, ratepayer, and taxpayer. None of my comments should be connected with any client.

The Roadmap correctly notes: "Utility infrastructure is aging and is not being modernized quickly enough to address changing conditions. Significant investment in existing maintenance, new technologies, and grid redesign is needed to address longer-term risks." (p. 6) It then incorrectly states: "Rising wildfire risk has been driven by a complex set of factors tied to climate change, land planning and management, and demographic trends." (p. 6). California's summers did not become hot and dry all of a sudden. Ten years ago, 100 year old infrastructure was 90 years old. Rising wildfire risk in California has been driven primarily by bad choices by California energy policymakers and regulators.

Regulated utilities respond to, and do not act independently of, incentives and regulation. They earn a capped, regulated rate of return on capital and spend their money on what their regulators encourage or let them, under the supervision of those regulators, because the utilities want to earn that return. Their primary mission is operational safety and reliability, which needs money. If policymakers and regulators had prioritized fixing risky infrastructure and ensured the utilities the revenue requirement to do so, that's what would have happened. Instead, the citizens of the most advanced economy in the history of the world wonder every summer if their houses will burn down and how long they will be blacked out.

Therefore, a further subsection should be added to Section 1.1 of the Roadmap, discussing the failure of regulators to provide the utilities the revenue requirement to fix aging infrastructure, and the need to do so now, in order to enhance public understanding of why existing policies need to change, and the role played by regulators and policy makers in the priorities and supervision of regulated utilities.

The CPUC should have no priority higher than getting ratepayer money to the utilities, and supervising utility use of that money, to fix existing transmission infrastructure to achieve operational safety and reliability. Not having done this is killing Californians in real time<sup>1</sup> and defeating the renewable energy and climate change policies that receive a lion's share of the revenue requirement.<sup>2</sup> The pending WSD move out of the CPUC should not discourage the CPUC from changing direction and doing whatever is necessary to make this its highest priority.

Policymakers and regulators should stop distracting the utilities, including by existential threats, from their core functions of operational safety and reliability. The easily predictable bad outcomes have now happened. The only path to a zero carbon future is through first achieving current operational safety and reliability.

The CPUC must also provide the revenue requirement for the utilities to hire internal, highly trained and professional staff. Otherwise utilities will continue to be incentivized to understaff, or rely on contractors, and that has been disastrous.<sup>3</sup> Providing utilities the money to hire and retain professional staff will help significantly with Section 3.2 of Appendix 1- Culture and Behavior of Utilities. Professional employees generally want to be employed the next day, which leads to individual accountability, a necessary precondition for organizational accountability. For example, last year I interacted with City of Walnut Creek staff concerning fire risk in the open spaces. They had been told that information concerning distribution-level infrastructure could not be shared because it was CIPS-protected by Department of Homeland Security regulation. Utility staff who knew and cared about what they were doing and to whom they were talking, and the consequences to customers and themselves personally of dishonesty or incompetence, would likely be more inclined to be honest and competent, including when dealing with the local cities. Having just gone through a CPUC-approved high debt leveraged

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<sup>1</sup> See the victim impact statements reported in Law360, "PG&E Execs Deserve Prison, Camp Fire Victims' Families Say," <https://www.law360.com/articles/1283984/> (Jun. 17, 2020).

<sup>2</sup> U.S. Dept. of Interior, "New Analysis Shows 2018 California Wildfires Emitted as Much Carbon Dioxide as an Entire Year's Worth of Electricity," <https://www.doi.gov/pressreleases/new-analysis-shows-2018-california-wildfires-emitted-much-carbon-dioxide-entire-years> (11/30/2018). CARB's chart at California Wildfire Emission Estimates, <https://ww2.arb.ca.gov/wildfire-emissions> dated 6/17/20, shows 337 million metric tons of CO2 emissions from California wildfires. Applying CARB's unspecified emissions factor of 0.428, this is the emissions equivalent of 787.4 million megawatt hours of imported electricity. The Energy Information Administration reports California used 255.2 million MWhrs of power in 2018. (<https://www.eia.gov/electricity/state/california/>)

<sup>3</sup> E.g., PG&E's stunning falsification of San Bruno pipeline inspection records after the San Bruno pipeline explosion ("PG&E: lacked sufficient staffing to locate and mark natural gas pipelines in compliance with law", avail. at <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M250/K897/250897740.PDF>); PG&E's implementation of its spiteful "Pipeline Pathways Program" of 2014. PG&E contractor appalling treatment of customers in a service context pales before contractors obviously not invested in customer continuity of life.

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buyout with hedge fund money, PG&E will be especially sensitive to the correct incentives to use sufficient skilled and professional employees rather than contractors.

Surprisingly, the Roadmap encourages grid redesign, yet does not mention the grid operator, the California Independent System Operator (CAISO), or CAISO processes. This omission should be cured, and the Roadmap should explore the role for, and changing processes at, the CAISO to prioritize infrastructure modernization and replacement. For example, to the extent it does not already do so, the regulators should require all CAISO system impact studies for transmission interconnections include a risk assessment of existing infrastructure and its ability to be replaced or modernized, irrespective of lowest cost alternative.

Thank you for the opportunity to comment.

Yours truly,



Jeremy D. Weinstein

cc: Service list for R.18-10-007  
California State Assembly Member Rebecca Bauer-Kahan  
California State Senator Steven M. Glazer  
U.S. Congressman Mark DeSaulnier