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Subject: Comments of the Public Advocates Office on PG&E's 2020 Safety Certification Request

INTRODUCTION

The Public Advocates Office at the California Public Utilities Commission (Cal Advocates) submits these comments in response to the request of Pacific Gas and Electric Company (PG&E) for a 2020 safety certification.

The purpose of safety certifications is to ensure that each electrical corporation demonstrates a commitment to safety throughout its organization¹ and especially with respect to wildfire risks.² In keeping with this goal, Cal Advocates recommends that the Wildfire Safety Division (WSD) refrain from issuing 2020 safety certifications prior to the satisfactory resolution of the Class A deficiencies, which are the most serious³ in an electrical corporation's Wildfire Mitigation Plan (WMP). Delaying the issuance of PG&E's 2020 safety certification until WSD has determined that the Remedial Compliance Plan filing has adequately addressed the Class A deficiencies in PG&E's WMP will not impact PG&E's currently effective safety certificate, nor will it impact the statutory requirement for issuance of a 2020 safety certificate within 90 days.

¹ Public Utilities Code Section 8383(e)(1) through (7).

² Public Utilities Code Sections 8383(e)(1) and 8383(e)(7).

³ The WSD states that a Class A deficiency is the "most serious" type of deficiency, indicating that "aspects of the WMP are lacking or flawed." Resolution WSD-002 *Guidance Resolution on 2020 Wildfire Mitigation Plans Pursuant to Public Utilities Code Section 8386*, June 11, 2020 (Resolution WSD-002), p. 17.

DISCUSSION & RECOMMENDATIONS

A. Background

Assembly Bill (AB) 1054 established a Wildfire Fund that allows participating electrical corporations to seek payments for eligible third-party catastrophic wildfire liability claims that have been settled or finally adjudicated.⁴ An electrical corporation may only access the Wildfire Fund if it has a valid safety certification on the date of the ignition.⁵ The WSD is responsible for issuing ongoing safety certifications to electrical corporations,⁶ based on the electrical corporation's demonstration that it has satisfied the requirements enumerated in Public Utilities Code Section 8389(e).

PG&E submitted its request for a safety certification on July 29, 2020.⁷ PG&E currently retains a valid safety certificate⁸ that will remain in effect until the WSD acts on PG&E's pending request for safety certification.⁹

On June 25, 2020, the WSD sent a letter to stakeholders soliciting stakeholder input on the 2020 safety certification requests and providing supplemental guidance of the meaning of an approved WMP pursuant to Public Utilities Code Section 8389(e)(1). The WSD stated:

Commission ratification of the Wildfire Safety Division's approval of an electrical corporation's 2020 Wildfire Mitigation Plan, subject to the conditions specified in Appendix A of the ratifying resolutions, constitutes documentation of an approved WMP pursuant to Pub[lic] Util[ities] Code § 8389(e)(1).¹⁰

B. It is premature to issue 2020 safety certificates until the electric corporations have resolved the outstanding Class A deficiencies in their WMPs.

The WSD should hold electrical corporations to a high standard of performance on safety issues. For the safety certification process to achieve the goals of decreasing the risk of wildfire and improving the overall safety of electric service to California ratepayers, the process must do more than just "check the boxes". This is particularly true where, as

⁴ Public Utilities Code Section 3291(c).

⁵ Public Utilities Code Section 3292(h)(1)(B).

⁶ Public Utilities Code Section 8389(f)(2). Pursuant to Public Utilities Code Section 8389(f)(1), the California Public Utilities Commission's Executive Director issued the initial safety certification in 2019.

⁷ Pacific Gas and Electric Company's Request for 2020 Safety Certification Pursuant to P.U.C. § 8389, July 29, 2020.

⁸ Pacific Gas and Electric Company's 2019 Safety Certification, issued by Commission Executive Director Alice Stebbins, August 23, 2019.

⁹ Public Utilities Code Section 8389(f)(4).

¹⁰ Letter from WSD director Caroline Thomas Jacobs re 2020 safety certification process seeking stakeholder comments and providing supplemental guidance, June 25, 2020, p. 2.

here, parties have identified and the WSD has determined that there are serious deficiencies in an electrical corporation's WMP.

One of the requirements for obtaining safety certification is that the electrical corporation have an approved WMP.¹¹ PG&E's WMP was approved on June 11, 2020, subject to conditions. These conditions include resolving several Class A deficiencies – the “most serious” type of flaw in a WMP.¹² PG&E's 2020 WMP has the following eight Class A deficiencies:

- PG&E groups initiatives into programs and does not provide granular initiative detail.¹³
- High incidence of conductor failure.¹⁴
- Annual risk ranking is quickly out of date.¹⁵
- It is unclear how PG&E classifies findings at the appropriate level.¹⁶
- Lack of details in PG&E's WMP on how to address personnel shortages.¹⁷
- Failure to demonstrate the effectiveness of increased vegetation clearances.¹⁸
- Insufficient coordination with public safety partners.¹⁹
- Lack of risk modeling to inform decision-making.²⁰

¹¹ Public Utilities Code Section 8389(e)(1).

¹² The WSD states that a Class A deficiency is the “most serious” type of deficiency, indicating that “aspects of the WMP are lacking or flawed.” Resolution WSD-002 *Guidance Resolution on 2020 Wildfire Mitigation Plans Pursuant to Public Utilities Code Section 8386*, June 11, 2020 (Resolution WSD-002), p. 17.

¹³ Resolution WSD-003, Appendix A, p. A1.

¹⁴ Resolution WSD-003, Appendix A, p. A3.

¹⁵ Resolution WSD-003, Appendix A, p. A7.

¹⁶ Resolution WSD-003, Appendix A, p. A12.

¹⁷ Resolution WSD-003, Appendix A, p. A21.

¹⁸ Resolution WSD-003, Appendix A, p. A22.

¹⁹ Resolution WSD-003, Appendix A, p. A23.

²⁰ Resolution WSD-002 identifies one Class A deficiency common to a number of electrical corporations, including PG&E, Guidance-3: “Lack of risk modeling to inform decision-making.” Resolution WSD-002, Appendix A, p. A3.

PG&E assumes that the Commission's ratification of its WMP, subject to conditions, satisfies the requirement of an approved WMP for purposes of securing its 2020 safety certification.²¹ However, Public Utilities Code Section 8389(e)(7) requires that an electrical corporation "is implementing its approved wildfire mitigation plan" prior to being issued a safety certification. Deficient sections of the WMP cannot be implemented as required in Public Utilities Code Section 8389(e)(7) until the WSD's approval of the remedial filings demonstrates that those deficiencies have been corrected.

The Class A deficiencies identified by WSD demonstrate that PG&E has significant issues to address before its WMP can be effectively implemented to reduce the risk of wildfires. To remedy a Class A deficiency, WSD requires "an electrical corporation to develop and submit to the WSD within 45 days a Remedial Compliance Plan to resolve the identified deficiency."²² PG&E's Remedial Compliance Plan was filed on July 27, 2020 and is currently under review to determine whether it is sufficient to remedy the Class A deficiencies in PG&E's WMP.²³

The WSD must not issue safety certifications for electrical corporations with outstanding Class A deficiencies until after receiving and reviewing the required remedial filings to remedy those deficiencies. Issuing a safety certification based on a conditionally approved plan is not a practice that promotes safety and does not hold the electrical corporations accountable for resolving the deficiencies in their WMPs. The timing for WSD to determine whether PG&E's Remedial Compliance Plan adequately addresses the Class A deficiencies in its WMP does not impact PG&E's current approved safety certificate (which remains in effect), nor would it unnecessarily delay the statutory requirement for issuance of a safety certificate (within 90 days),²⁴ as described below.

C. Requiring PG&E to resolve its Class A deficiencies prior to issuance of its 2020 safety certification is feasible within 90 days and would not jeopardize access to the Wildfire Fund.

If the WSD determines that PG&E's Remedial Compliance Plan successfully addresses the Class A deficiencies in PG&E's WMP, the WSD can still timely issue its safety certificate. Public Utilities Code Section 8389(f)(2) states that the WSD "shall issue a safety certification within 90 days of a request if the electrical corporation has provided documentation that it has satisfied [the statutory requirements for issuing a safety

²¹ Pacific Gas and Electric Company's Request for 2020 Safety Certification Pursuant to P.U.C. § 8389, July 29, 2020, pp. 1-2.

²² Resolution WSD-003, p. 4.

²³ Pacific Gas and Electric Company, 2020 Wildfire Mitigation Plan Remedial Compliance Plan, July 27, 2020. PG&E's Remedial Compliance Plan is 64 pages in total and addresses each of the eight Class A deficiencies identified by WSD in Resolutions WSD-002 and WSD-003.

²⁴ Public Utilities Code Section 8389(f)(2).

certificate],” and Section 8389(f)(4) states that “a safety certification shall remain valid until the division acts on the electrical corporation’s pending request for safety certification.”

Therefore, the 2019 safety certificate issued to PG&E will not expire until the WSD has acted on its pending requests for safety certification. The table below illustrates the timeline for issuance of PG&E’s 2020 safety certification.

Commission ratification of WSD Resolutions 002 and 003	June 11, 2020
PG&E Remedial Compliance Plan Submitted	July 27, 2020 (45 days after June 11, 2020)
PG&E request for 2020 safety certification	July 29, 2020
90-day deadline for issuance of PG&E safety certification	October 27, 2020 (90 days after July 29, 2020 request)

As demonstrated in the table above, the timeline allows for WSD to review the compliance filing from PG&E without lapse of the current safety certificate and within the 90-day timeframe for issuance of the 2020 safety certificate. PG&E will retain a valid safety certificate and, therefore, its eligibility to access to the Wildfire Fund will not be impacted.

Ensuring that the Class A deficiencies are addressed will protect public safety by holding PG&E accountable for meeting the conditions established by the WSD as a condition of approval of the WMP.

CONCLUSION

The Public Advocates Office respectfully requests that the WSD not issue a 2020 safety certification for PG&E until the WSD has determined that PG&E’s Remedial Compliance Plan is sufficient to resolve the outstanding Class A deficiencies in PG&E’s WMP. Once the Class A deficiencies have been addressed to the satisfaction of the WSD, then the WSD should issue a safety certification to each electrical corporation that has met all other statutory requirements.

Respectfully submitted,

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