## **PUBLIC ADVOCATES OFFICE**

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298



December 13, 2021

# **Via Electronic Filing**

Caroline Thomas Jacobs, Director
Office of Energy Infrastructure Safety
California Natural Resources Agency
Sacramento, CA 95184
caroline.thomasjacobs@energysafety.ca.gov
efiling@energysafety.ca.gov

Subject: Comments of the Public Advocates Office on the Safety Certification Request of PG&E, Case No. 2021-SCs

Dear Director Thomas Jacobs,

The Public Advocates Office at the California Public Utilities Commission (Cal Advocates) respectfully submits the following comments on the Safety Certification Request of Pacific Gas and Electric Company (PG&E) filed on November 12, 2021. Cal Advocates submits these comments on PG&E's Safety Certification Request pursuant to Public Utilities Code § 8389(e)-(f), and in accordance with the further guidance in the Office of Energy Infrastructure Safety's (Energy Safety)<sup>1</sup> July 26, 2021 letter.<sup>2</sup> We respectfully urge Energy Safety to adopt the recommendations discussed herein.

#### I. INTRODUCTION

Receiving a safety certification is one of the requirements an electric utility must fulfill before it is able to seek recovery of catastrophic wildfire costs from the Wildfire

<sup>&</sup>lt;sup>1</sup> On July 1, 2021, the Wildfire Safety Division of the California Public Utilities Commission moved to the California Natural Resources Agency and became the Office of Energy Infrastructure Safety pursuant to Assembly Bill 111, which was signed by the Governor on July 12, 2019 (Chapter 81, Statutes of 2019).

<sup>&</sup>lt;sup>2</sup> Office of Energy Infrastructure Safety's Final 2021 Safety Certification Guidance Pursuant to Public Utilities Code § 8389(f)(2), July 26, 2021. See also, Lucy Morgans letter, Public Comment Period for Safety Certification Requests of SDG&E and SCE, September 14, 2021.

<sup>&</sup>lt;sup>3</sup> Many of the Public Utilities Code requirements relating to wildfires apply to "electrical

Insurance Fund.<sup>4</sup> Public Utilities Code section 8389(e) authorizes Energy Safety to issue a safety certification to electric utilities if they have an approved wildfire mitigation plan, agree to implement the recommendations of a Safety Culture Assessment (SCA), and meet other requirements detailed in subparagraph (e) of section 8389.

Cal Advocates has specific concerns about PG&E's request based on its recent safety performance. These concerns are applicable to the safety certification process in general. These comments address these broader concerns in the context of PG&E's request and offer ways to make the safety certification process a more meaningful mechanism to improve the performance of PG&E and other utilities.

Cal Advocates makes the following recommendations:

- Energy Safety should provide clear criteria that a utility must meet to be found in "good standing" to receive a safety certification.
- Energy Safety should require PG&E to describe how it intends to implement the recommendations from its Safety Culture Assessment.
- Energy Safety should align future WMP review and approval schedules with Safety Certification periods.
- Energy Safety should require utilities to provide executive compensation structures that cover the period of their Safety Certification.

corporations." *See e.g.*, Public Utilities Code sections 8386, 8389. Hereinafter, these comments will use the more common term "electric utilities" or "utilities" and the phrase "electrical corporations" interchangeably to refer to the entities that must comply with the wildfire safety provisions of the Public Utilities Code.

<sup>&</sup>lt;sup>4</sup> See, e.g., Public Utilities Code section 451.1(b)-(c) (when determining a utility's application to recover costs and expenses from the Wildfire Fund (created by section 3284), arising from a covered wildfire, the commission shall allow recovery if the costs and expenses are just and reasonable, i.e., if the conduct of the electrical corporation related to the ignition was consistent with actions that a reasonable utility would have undertaken in good faith under similar circumstances. "An electrical corporation bears the burden to demonstrate, based on a preponderance of the evidence, that its conduct was reasonable pursuant to subdivision (b) unless it has a valid safety certification pursuant to section 8389 for the time period in which the covered wildfire that is the subject of the application ignited.") (emphasis added).

#### II. RECOMMENDATIONS

- A. Energy Safety should provide clear criteria that a utility must meet to be found in "good standing" to receive a safety certification.
  - 1. Energy Safety has statutory authority to define "good standing."

Public Utilities Code section 8389(e)(2) requires that, for a utility to be granted a safety certification, it must, among other things, be "in good standing." Section 8389(e)(2) further states that good standing "can be satisfied by the electrical corporation having agreed to implement the findings of its most recent safety culture assessment." However, the fact that a utility agrees to implement the findings of its SCA does not require that "good standing" be found. 6

If the legislature had intended Public Utilities Code section 8389(e)(2) to require a finding of "good standing" based exclusively on a utility's agreement to implement the findings from its SCA to meet the requirement to receive a safety certification, the law would have been written to say exactly that. However, the statute does *not* say that a utility *must* be granted good standing if it agrees to implement the findings of its most recent SCA. Instead, Public Utilities Code section 8389(e)(2) specifically states that the good standing requirement "can be satisfied by the electrical corporation having agreed to implement the findings of its most recent safety culture assessment ... ."<sup>7</sup>

Nothing in the statute implies that the utility's agreement to implement recommendations from the SCA is the *only* thing Energy Safety can consider as part of its "good standing"

<sup>&</sup>lt;sup>5</sup> Public Utilities Code section 8389(e)(2) states: "The executive director of the commission shall issue a safety certification to an electrical corporation if the electrical corporation provides documentation of the following: ... (2) [t]he electrical corporation is in good standing, which can be satisfied by the electrical corporation having agreed to implement the findings of its most recent safety culture assessment, if applicable."

<sup>&</sup>lt;sup>6</sup> Cal Advocates made similar comments on Southern California Edison Company's (SCE's) and San Diego Gas & Electric Company (SDG&E's) safety certification requests. See Comments of the Public Advocates Office on the Safety Certification Request of SDG&E Case No. 2021-SC, October 7, 2021, and Comments of the Public Advocates Office on the Safety Certification Request of SCE Case No. 2021-SC, October 13, 2021. While Energy Safety ultimately granted SCE's and SDG&E's safety certification requests based on each utility's agreement to implement the findings of their SCAs, this does not dictate Energy Safety's actions for the safety certification of PG&E, or for any utility for any future year. Energy Safety should base its decision to grant (or not grant) safety certification to a utility on the unique circumstances and performance of that utility in a given year. See Office of Energy Infrastructure Safety Issuance of San Diego Gas & Electric Company's Safety Certification, Case No. 2021-SC, December 6, 2021, and Office of Energy Infrastructure Safety Issuance of Southern California Edison Company's Safety Certification, Case No. 2021-SC, December 10, 2021.

<sup>&</sup>lt;sup>7</sup> Emphasis added.

determination.<sup>8</sup> Thus, the specific terms of Public Utilities Code section 8389(e)(2) provide Energy Safety the authority to look beyond the utility's agreement to implement the findings of its safety culture assessment.<sup>9</sup>

Besides the language of Public Utilities Code section 8389(e)(2), Energy Safety's actions also support a broader reading of "good standing" of including additional criteria besides an agreement to implement SCA findings. In its May 11, 2021 letter, Energy Safety proposed changes to the 2021 Safety Certification process, including additional criteria by which a utility could be assessed for "good standing," as requirements for the grant of a safety certification. Cal Advocates supports these proposed changes, noting that Public Utilities Code section 8389(e)(2) language supports Energy Safety's creation of additional criteria by stating that "good standing" *can* be conferred by a utility agreeing to implement its SCA findings, not that it *shall* be conferred by such action. Is

Thus while agreeing to implement SCA findings is a good first step, it should be followed by the utility actually performing the work identified in its SCA findings. Energy Safety should make clear that it retains the final authority to hold the utility accountable if it fails to meet its agreements.

# 2. PG&E should not be found to meet the "good standing" requirement of section 8389(e)(2).

An assessment of "good standing" should take a utility's recent safety issues into consideration. As demonstrated below, PG&E has experienced a number of safety issues

<sup>8</sup> Public Utilities Code section 8389(e)(2).

<sup>&</sup>lt;sup>9</sup> The legislature's use of the term "good standing" suggests a broader consideration of safety issues may be had. If "good standing" were a synonym for merely "agreeing to implement the findings of its most recent SCA," then the term "good standing" would be extraneous. Such a narrow reading of section 8389(e)(2) violates the principles of liberal construction of statutes to effect an administrative body's intent. See Skidgel v. California Unemployment Ins. Appeals Bd. (2021) 12 Cal. 5th 1, 23-24 (the purpose of the liberal construction rule "is to effectuate ... legislative intent") (citing City of Huntington Beach v. Board of Administration (1992) 4 Cal.4th 462, 472).

<sup>10</sup> Cf. Skidgel, 12 Cal. 5th at 14 ("If the statutory language is unambiguous, then its plain meaning controls. If, however, the language supports more than one reasonable construction, then we may look to extrinsic aids, including the ostensible objects to be achieved and the legislative history.") (citing *People v. Cole* (2006) 38 Cal.4th 964, 975).

<sup>&</sup>lt;sup>11</sup> Wildfire Safety Division's Proposed Changes to the 2021 Safety Certification Guidance Pursuant to Public Utilities Code §8389(f)(2), October 13, 2021, p. 5.

<sup>12 &</sup>quot;Shall" is ordinarily "a word of mandate, the equivalent of 'must,' where appearing in a statute." Ballantine's Law Dictionary (3rd ed.).

<sup>13</sup> Comments of the Public Advocates Office on the Wildfire Safety Division's Proposed Changes to the 2021 Safety Certification Guidance Pursuant to Public Utilities Code § 8389(f)(2), October 13, 2021, pp. 2-3.

during the past year, and the utility is under increased scrutiny from the California Public Utilities Commission (Commission) and the public.

Below are a number of PG&E's serious safety issues in 2021 that Energy Safety should consider before granting a safety certification:

- April 21, 2021: Commission Resolution M-4852 placed PG&E into Step 1 of the Enhanced Oversight and Enforcement Process to monitor PG&E's performance in delivering safe, reliable, affordable, clean energy and to hold PG&E accountable for making its system safer and mitigating wildfire threat. PG&E was placed into Step 1 of the Enhanced Enforcement and Oversight process after "not sufficiently prioritizing its Enhanced Vegetation Management (EVM) based on risk." 15
- July 18, 2021: PG&E filed an incident report, 16 indicating that its facilities may have been involved in the ignition of the Dixie Fire, which ignited on July 13, 2021. This fire grew to 963,309 acres and damaged or destroyed over 1,400 structures. This is the largest single-origin fire in California history. 17
- September 24, 2021: The County of Shasta filed 31 criminal counts against PG&E in relation to the 2020 Zogg Fire. 18
- October 21, 2021: The Commission adopted Resolution WSD-021, which identified 29 key areas for improvement in PG&E's 2021

See also: U.S. District Judge William Alsup, Order Requesting Information Re Zogg Fire, Case No. 14-CR-00175-WHA, Doc. No. 1246, October 12, 2020.

<sup>&</sup>lt;sup>14</sup> Resolution M-4852: Placing Pacific Gas and Electric Company into Step 1 of the "Enhanced Oversight and Enforcement Process" Adopted in Decision 20-05-053, April 21, 2021.

<sup>15</sup> Resolution M-4852, p. 1.

<sup>16</sup> Incident report, PG&E, July 18, 2021. Available at <a href="https://www.cpuc.ca.gov/-/media/cpuc-website/industries-and-topics/documents/wildfire/staff-investigations/pge-incident-report-20210713.pdf">https://www.cpuc.ca.gov/-/media/cpuc-website/industries-and-topics/documents/wildfire/staff-investigations/pge-incident-report-20210713.pdf</a>

<sup>&</sup>lt;sup>17</sup> The cause of the fire is still under investigation. However, if PG&E is found to be at fault, it will trigger additional steps in the Enhanced Oversight and Enforcement Process. Per the Enhanced Oversight and Enforcement Process adopted in Decision 20-05-053 on June 1, 2020, "A gas or electric incident occurs that results in the destruction of 1,000 or more dwellings or commercial structures" may trigger either Step 2 or Step 4 of the Process.

<sup>&</sup>lt;sup>18</sup> Superior Court of California, County of Shasta, Redding Branch case, *The People of the State of California vs Pacific Gas and Electric Company*, File No. F-21-06622, September 24, 2021.

WMP, more deficiencies than in SCE's and SDG&E's WMPs combined. 19, 20

- November 22, 2021: The Commission cited PG&E for fines totaling \$7.5 million for powerline inspection failures.<sup>21</sup>
- November 26, 2021: NBC Bay Area reported that PG&E had notified regulators that a contractor had falsified as many as 3,000 inspection reports over two years. This is merely the latest in a string of inspection-related failures PG&E has reported in 2021.<sup>22</sup>
- December 2, 2021: The Commission adopted an Administrative Consent Order between Safety and Enforcement Division and PG&E regarding the 2019 Kincade Fire. Although PG&E did not admit fault in the Administrative Consent Order, CAL FIRE found that the Kincade Fire was caused by PG&E-owned equipment.<sup>23</sup>
  - 3. Energy Safety should release guidance that clearly outlines additional criteria for assessing "good standing."

Energy Safety should, in 2022, release guidance that clearly outlines additional criteria that may be used to assess "good standing" in 2023 and onward. This should include, at a minimum, a consideration of the utility's recent safety history, and a detailed plan from the utility on how it intends to implement the recommendations from its most recent SCA, discussed in the next section. Additionally, if Energy Safety finds that a utility has

<sup>&</sup>lt;sup>19</sup> In its Draft Action Statement on SCE's 2021 WMP, July 16, 2021, Energy Safety identified 14 key areas for improvement.

<sup>&</sup>lt;sup>20</sup> In its Draft Action Statement on SDG&E's 2021 WMP, June 10, 2021, Energy Safety identified 11 key areas for improvement.

<sup>&</sup>lt;sup>21</sup> "\$2,500,000 Citation to PG&E for violating GO-165 related to the incomplete detailed inspection of 54,755 distribution poles in 2019," and "\$5,000,000 Citation to PG&E for inadequate inspections of the Ignacio-Alto-Sausalito transmission lines from 2008-2019," available at https://www.cpuc.ca.gov/regulatory-services/enforcement-and-citations/electric-safety-citations

*See also:* U.S. District Judge William Alsup, *Order Requesting Information Re Zogg Fire*, Case No. 14-CR-00175-WHA, Doc. No. 1246, October 12, 2020.

<sup>&</sup>lt;sup>22</sup> PG&E Scrambles to Make Up for 3,000 Potentially 'Falsified' Electrical Inspections, NBC Bay Area, November 25, 2021. Available at <a href="https://www.nbcbayarea.com/investigations/pge-scrambles-to-make-up-for-3000-potentially-falsified-electrical-inspections/2740817/">https://www.nbcbayarea.com/investigations/pge-scrambles-to-make-up-for-3000-potentially-falsified-electrical-inspections/2740817/</a>

See also: U.S. District Judge William Alsup, Order Requesting Information Re Zogg Fire, Case No. 14-CR-00175-WHA, Doc. No. 1246, October 12, 2020.

<sup>&</sup>lt;sup>23</sup> The Kincade Fire "was caused by low-cycle fatigue of the jumper when the cable swayed in the wind;" when this jumper failed and contacted the grounded box frame, "this produced sparks that fell from the box frame portion of Tower 001/006 and ignited the sparse, but receptive, flammable fuel bed below." Settlement Agreement between [PG&E] and [SED] Resolving the Investigation into the Kincade Fire pursuant to a proposed Administrative Consent Order (Resolution M-4846), pp. 2-3.

not satisfactorily implemented the recommendations from the prior year's SCA, that should weigh heavily against deeming the utility to be in "good standing." 24

B. Energy Safety should require PG&E to describe how it intends to implement the recommendations from its Safety Culture Assessment.

Public Utilities Code section 8389(e)(2) authorizes Energy Safety to issue a safety certification to an electric utility if, among other requirements, the utility is in good standing, "which can be satisfied by the [utility] having agreed to implement the findings of its most recent safety culture assessment agree to implement the recommendations of a Safety Culture Assessment." PG&E's agreement to implement the findings of its Safety Culture Assessment includes only two sentences:

PG&E agrees to implement all of the findings and recommendations for improvement of the Safety Culture Assessment Report for PG&E. PG&E further expresses its commitment to work with DEKRA [DEKRA Services, Inc.] and Energy Safety regarding their implementation.<sup>26</sup>

On the other hand, DEKRA, the consultant that conducted the Safety Culture Assessment, made several recommendations, including that PG&E:

<sup>&</sup>lt;sup>24</sup> See also Comments of the Public Advocates Office on the Safety Certification Request of SDG&E Case No. 2021-SC, October 7, 2021, and Comments of the Public Advocates Office on the Safety Certification Request of SCE Case No. 2021-SC, October 13, 2021.

<sup>25</sup> Public Utilities Code section 8389(e)(2) states: "The Director of the Office of Energy Infrastructure Safety shall issue a safety certification to an electrical corporation if the electrical corporation provides documentation of the following: ...(2) [t]he electrical corporation is in good standing, which can be satisfied by the electrical corporation having agreed to implement the findings of its most recent safety culture assessment performed pursuant to Section 8386.2 and paragraph (4) of subdivision (d), if applicable."

<sup>&</sup>lt;sup>26</sup> Agreement of Pacific Gas and Electric Company to Implement the Recommendations of the Final Safety Culture Assessment Report, October 25, 2021.

- 1. Build leadership skills and ensure frontline supervisors are demonstrating those skills regularly in the field to improve the work environment for wildfire and personal safety.
- 2. Establish a governance structure to ensure effective implementation and tracking of the 2025 Workforce Safety Strategy.
- 3. Execute the strategy with active leadership by senior executives to ensure implementation.
- 4. Leverage the new safety management system to improve the flow of information up, down, and across the organization and provide a single mechanism for reporting and tracking wildfire concerns.
- 5. Increase engagement on the safety culture assessment within the workforce supporting wildfire mitigation initiatives.
- 6. Recognize and take action to mitigate the safety concerns posed by interactions with certain discontented members of the public. 27

PG&E provides no details about *how* it plans to implement either the DEKRA or Energy Safety recommendations. As a result, there is no measure by which Energy Safety or intervenors can gauge the feasibility of PG&E's expectations and assess PG&E's progress in addressing the recommendations during the time period when they are supposed to satisfy those recommendations. PG&E's promise to implement these recommendations would be more meaningful if PG&E's management were to commit to developing, implementing, and making public its implementation and training plans and step-by-step intermediate goals.

At a minimum, the issues and recommendations listed in PG&E's Safety Culture Assessment warrant an upfront and specific plan from PG&E on how it intends to implement DEKRA's recommendations. Energy Safety should direct PG&E – and all utilities – to file a realistic and detailed plan regarding how it intends to address the SCA recommendations within 30 days of receiving a safety certification from Energy Safety and consider any failure to make such a showing whenever it considers "good standing."

<sup>27</sup> Safety Culture Assessment, Pacific Gas and Electric Company, October 2021, pp. 1-2.

<sup>28</sup> While Public Utilities Code section 8389(e)(7) does require that the electrical corporations file quarterly Tier 1 advice letters that detail the implementation of the SCA recommendations, these backward-looking advice letter filings will be submitted too late for Energy Safety to give timely instruction to PG&E to implement any SCA recommendations missed during the quarter.

# C. Energy Safety should align future WMP review and approval schedules with Safety Certification periods.

Public Utilities Code section 8389(e)(1) states that, for a utility to receive a safety certification, it must have an approved wildfire mitigation plan. While PG&E does have an approved 2021 WMP,<sup>29</sup> the safety certification it is requesting will be for the year of 2022. There will be no overlap between the period covered by PG&E's 2021 WMP and the period of validity for its 2022 safety certification.<sup>30</sup> This is a troubling misalignment.

PG&E's 2022 WMP will not be approved until approximately halfway through 2022 at the earliest. This means that if Energy Safety now grants PG&E a safety certification for 2022, the utility will be covered by such certification for several months during which it will not have an approved WMP for 2022.

To prevent the possibility of a utility inappropriately receiving the benefits of a safety certification for that year even if it fails to submit an adequate and reasonable WMP for that same year, Energy Safety should in that case, find the utility out of "good standing" and suspend the safety certification. Energy Safety also should require the 2023 WMP submissions to occur during the third quarter of 2022, with the intent to approve or deny such plans prior to the end of 2022. This would provide Energy Safety and intervenors a meaningful opportunity to review the plans, and allow the utilities to revise and finalize their plans prior to or early in the plan year. It would also enable a utility to have an approved WMP for a particular year prior to applying for and receiving a safety certification for that same year.

<sup>&</sup>lt;sup>29</sup> On October 21, 2021, the Commission voted to adopt Resolution WSD-021, ratifying Energy Safety's Action to approve PG&E's 2021 WMP Update. Resolution WSD-021 Resolution Ratifying Action of the Office of Energy Infrastructure Safety on Pacific Gas and Electric Corporation's 2021 Wildfire Mitigation Plan Update Pursuant to Public Utilities Code Section 8386, issued October 25, 2021.

<sup>&</sup>lt;sup>30</sup> Per Office of Energy Infrastructure Safety's Final 2021 Safety Certification Guidance Pursuant to Public Utilities Code § 8389(f)(2), Office of Energy Infrastructure Safety, July 26, 2021, comments are due on PG&E's Safety Certification Request within 30 days from submission (December 13, 2021) and reply comments will be due ten days later (December 23, 2021). It is therefore unlikely that a final disposition will be made on PG&E's Safety Certification Request prior to January or February 2022. Once issued, the safety certification is valid for one year.

<sup>31</sup> Per *Draft 2022 Wildfire Mitigation Plan Update Guidelines*, Office of Energy Infrastructure Safety, November 9, 2021, Attachment 5, p. 6, Energy Safety will publish a draft action statement for PG&E's 2022 WMP Update on May 6, 2022, with public comments due on May 26, 2022.

<sup>&</sup>lt;sup>32</sup> Cal Advocates has previously recommended a revised schedule wherein utilities would submit their WMPs in the third quarter of the year prior to the year covered by the plan. *Comments of the Public Advocates Office on the 2021 Wildfire Mitigation Plan Updates of the Large Investor-Owned Utilities*, March 29, 2021, pp. 42-44 and Appendix C, pp. 69-70.

# D. Energy Safety should require utilities to provide executive compensation structures that cover the period of their Safety Certification.

Like the misalignment of PG&E's safety certification request with the WMP approval periods, there is a similar scheduling misalignment with respect to PG&E's executive incentive compensation structure. Public Utilities Code section 8389(e)(4) states that, in order for a utility to receive a safety certification, it must have an approved executive incentive compensation structure. In the case of PG&E, PG&E has an approved 2021 executive compensation structure, 33 the safety certification it is requesting will be valid for the year of 2022, and there will be no overlap between PG&E's 2021 executive compensation structures and the period of the 2022 safety certification. 34 If 2022 follows the same pattern as 2021, PG&E's 2022 executive compensation structure will not be approved until approximately halfway through 2022 at the earliest. 35

Going forward, Energy Safety should require utilities to file their 2023 executive compensation structures by mid-2022, with the intent to approve or deny such structures prior to the end of 2022. This would ensure that, when utilities apply for 2023 safety certifications in the latter part of 2022, they will have an approved executive compensation structure for the year in which that safety certification would apply.

In addition, utilities should submit their executive compensation plans at least six months before the beginning of the year covered. Rectifying this schedule disconnect would address concerns noted by Cal Advocates previously, by preventing a scenario in which a utility could set performance milestones for a year based in part on performance in the

<sup>33</sup> Office of Energy Infrastructure Safety Approval of Pacific Gas and Electric Company's 2021 Executive Compensation Structure Pursuant to Public Utilities Code Sections 8389(e)(4) and (e)(6), October 19, 2021.

<sup>&</sup>lt;sup>34</sup> Per Office of Energy Infrastructure Safety's Final 2021 Safety Certification Guidance Pursuant to Public Utilities Code § 8389(f)(2), Office of Energy Infrastructure Safety, July 26, 2021, comments are due on PG&E's Safety Certification Request within 30 days from submission (December 13, 2021) and reply comments will be due ten days later (December 23, 2021). It is therefore unlikely that a final disposition will be made on PG&E's Safety Certification Request prior to 2022.

<sup>35</sup> Per presentations during the Executive Compensation Structure Workshop held on September 29, 2021, utilities will file executive compensation structures in March 2022, after which there will be "four months for discovery, requests for additional information, and OEIS feedback."

<sup>36</sup> While the utilities would not have actual performance data for the previous year, they could base targets on past performance in an algebraic manner. For example, a utility could set a target of a 10 percent improvement over the average of the previous three years, or a 5 percent improvement over the best result in the previous three years. Later, it would be a simple matter to submit actual data and input those numbers into the predetermined formulas.

very year targeted.<sup>37</sup> It is unreasonable to link incentives to performance that has already occurred, since it is impossible to incent performance that occurred in the past.

## III. CONCLUSION

Cal Advocates respectfully requests that Energy Safety adopt the recommendations discussed herein. Please contact Program Manager Nathaniel Skinner (Nathaniel.Skinner@cpuc.ca.gov) or Program and Project Supervisor Henry Burton (Henry.Burton@cpuc.ca.gov) with any questions relating to these comments.

Sincerely,

/s/ CAROLYN CHEN

Carolyn Chen Attorney

Public Advocates Office California Public Utilities Commission 505 Van Ness Avenue San Francisco, California 94102 Telephone: (415) 703-1980

E-mail: Carolyn.Chen@cpuc.ca.gov

cc: Service lists of R.18-10-007, R.18-12-005

\_

<sup>&</sup>lt;sup>37</sup> Per PG&E's reply comments submitted on May 7, 2021, PG&E noted that the "target" milestone for the DCPP Reliability and Safety Indicator metric was set below actual performance in each of the last five years due, in part, to outages occurring in 2021. In other words, PG&E set 2021 performance milestones based on poor performance that had occurred in early 2021.