

From: Greenacre, Wade <WAG9@pge.com>
Sent: Friday, March 4, 2022 12:56 PM
To: Semcer, Melissa@EnergySafety
Cc: Abigail Rolon; Kate Sanderson
Subject: RE: Energy Safety Request for Analysis on Costs to Comply with New Regulations

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Good Morning Melissa,

Below is the financial impact analysis the team came up with based on the proposed regulations. We would be happy to discuss if there are questions.

Best,
Wade

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PG&E estimates the financial impact to implement the proposed regulations as written to be ~\$3.8M-\$12.8M annually. This number can fluctuate depending on two variables: (1) volume of incidents requiring investigation and (2) impact to subject matter experts throughout the organization to support the notifications, evaluate if triggers for an investigation are met, and perform the investigations.

- **VOLUME:** Based on rough estimates looking at the minimum and maximum values per calendar year for 2014 through the present, PG&E expects the volume of incidents that require investigation reports to be 7 to 28 incidents per year, with the lower reflected in Scenario A, the higher reflected in Scenario C, and a mid-point of (17) reflected in Scenario B.
- **IMPACT:** PG&E expects to need to hire 5 to 15 employees to support the notification process, implement technological enhancements to meet the specifics of the asks, evaluate if triggers for an investigation are met, support the investigations from a technical standpoint, and respond to any follow-up requests or enhancement requests from Energy Safety. The lower end of this estimate is reflective in Scenario A, and the higher is reflected in Scenario C, and the midpoint is reflected in Scenario B.
 - o Note: PG&E interprets Root Cause Evaluation (RCE) to be at industry standard, which requires PG&E to form an investigation team of 5-8 people and identify a Director-level or higher sponsor. The full investigation team works full-time for one month and the equivalent of part-time for a second month to complete the

investigation. They must leverage Subject Matter Experts (SMEs) throughout the organization as needed. This results in nearly 2500 hours of work per RCE report. As a matter of business, PG&E's Electric Line of Business performed this level of RCE fewer than 10 times in 2021, and for ~10% of the total investigations. Comparatively, if the Root Cause Evaluation intended by these regulations is more akin to the level of investigation associated with a 20-day report submitted to the Commission, the hourly impact would be approximately 150 hours per report.

	Scenario A	Scenario B	Scenario C
Notification: Annual Hours	2,470	2,470	2,470
Investigation: Hours Per Report	2,472	2,472	2,472
Investigation: Reports	7	17	28
Total	\$2,462,042	\$5,539,905	\$8,925,555
Addl. Staffing	\$1,294,894	\$2,589,788	\$3,884,682
Grand Total	\$3,756,936	\$8,129,693	\$12,810,236

Scenario A Non-SIF RCE deliverable, low end of volume, 5 additional headcount throughout
 Scenario B Non-SIF RCE deliverable, middle estimate of volume, 10 additional headcount thr
 Scenario C Non-SIF RCE deliverable, high end of volume, 15 additional headcount throug

From: Semcer, Melissa@EnergySafety <Melissa.Semcer@energysafety.ca.gov>
Sent: Friday, February 18, 2022 1:04 PM
To: Greenacre, Wade <WAG9@pge.com>
Cc: Abigail.Rolon <Abigail.Rolon@arup.com>; Kate Sanderson <kate.sanderson@arup.com>; Semcer, Melissa@EnergySafety <Melissa.Semcer@energysafety.ca.gov>
Subject: Energy Safety Request for Analysis on Costs to Comply with New Regulations

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Dear Wade:

Energy Safety is in the process of evaluating the cost impacts of three regulations that Energy Safety plans to adopt. As part of that effort, we are asking certain electrical corporations, including PG&E, to determine the cost impacts those regulations would have on their respective companies. Attached please find the proposed text of these regulations:

- § 29200. Submission of Confidential Information
- § 29300. Notification
- § 29301. Incident Reporting

We are grateful for PG&E's assistance with this important work and request PG&E's responses by **March 4**.

Following are notes regarding the work we are requesting with respect to each regulation.

§ 29300. Notification -

The notification regulation would impose essentially three notification requirements. We anticipate that events noted on PG&E's monitoring systems might provide PG&E with notice of information that triggers these notification requirements. Please note that the cost impacts are seeking are those related to providing information to Energy Safety, not costs related to monitoring events on the electrical system. Please provide the costs for each of the following notification timelines:

- a) A process for notifying Energy Safety **within one business** day if a fault, outage, or other anomaly occurs on infrastructure located within one mile of either the origin or perimeter of a fire requiring a response from a fire suppression agency, whichever is known and closest, and it occurred within six hours before the fire suppression agency arrived at the fire.
- b) A process for notifying Energy Safety **within 24 hours** of knowing or having reason to know that a fire requiring a response from a fire suppression agency may contact infrastructure that the entity owns or operates, or is within 10 miles of, and moving toward, that infrastructure.
- c) A process for notifying Energy Safety **within four hours** after the regulated entity knows or has reason to know that either infrastructure owned or operated by the regulated entity might have started a fire, or a government entity is investigating whether infrastructure owned or operated by the regulated entity caused a fire.

§ 29301. Incident Reports

The incident report regulation would require electrical corporations to report certain information about certain fires. The components of the report are listed below, and we ask that you provide the cost information for each individual component rather than a single cost estimate for the entire report.

- (1) Documents that contain information included in the incident report.
- (2) The name, contact information, and job title of each person with knowledge of PG&E's response to the fire and investigation into the cause of the fire.
- (3) A root cause analysis of the event or equipment malfunction which PG&E believes might potentially have been involved with starting the fire. For #3 provide assumptions on number of days to complete the root cause analysis, number of full time employees per day working on it, and average salary per employee.
- (4) A description of all actions taken to prevent the recurrence of similar incidents.
- (5) The name and contact information of each person with possession of any physical evidence removed from the site of the fire.
- (6) A list of all documents that contain information relating to the regulated entity's response to the fire or investigation into the cause of the fire.

§ 29200. Submission of Confidential Information

This regulation will apply when a company submits information to Energy Safety that the company maintains is exempt from disclosure to members of the public. We ask that, to the extent there are cost impacts, PG&E's account for these requirements in its analysis.

The cost of:

- (1) Identifying the information claimed to be exempt from disclosure;
- (2) Segregating the information to the extent reasonably possible;
- (3) Providing both redacted and unredacted versions of documents that contain the information;
- (4) Identifying the statutory basis for the exemption or exemptions claimed; and
- (5) Stating the reasons why each exemption claimed applies to the information

When the submitter claims that the information is exempt from disclosure because the information contains trade secrets or because disclosure would cause a loss of a competitive advantage. These additional requirements apply:

- (1) Identify the competitive advantage;
- (2) State how the advantage would be lost through disclosure;
- (3) State the value of the information to the submitter; and
- (4) Describe the ease or difficulty with which others could legitimately acquire or duplicate the information.

Note: I know we've asked for some of this information previously. This request provides more background and explanation on the requests. If the previous information submitted is still valid, feel free to use that information in response to this request.

Best regards,

[Melissa Semcer](#)

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