

October 14, 2022

Via Electronic Filing

Caroline Thomas Jacobs, Director
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California Natural Resources Agency
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Re: Pacific Gas & Electric Company's Reply Comments to Request for 2022 Safety Certification Pursuant to Pub. Util. Code § 8389
Proceeding: 2022-SCs

Dear Director Thomas Jacobs:

Pacific Gas and Electric Company (PG&E) respectfully submits these reply comments to its September 14, 2021 request for safety certification. These reply comments are made in accordance with the guidance outlined in the Office of Energy Infrastructure Safety's (Energy Safety) 2022 Safety Certification Guidelines, issued on August 25, 2022.

Only one set of opening comments were filed on any of the utilities' requests for safety certification, and these comments were filed by the Public Advocates Office (Cal Advocates).¹ We address Cal Advocates' comments below.

CAL ADVOCATES' ARGUMENTS REGARDING IMPLEMENTATION OF THE NORTHSTAR REPORT ARE ERRONEOUS

Cal Advocates argues that we have not met the requirements of Public Utilities Code Section 8389(e)(2) because there is "no evidence" we have implemented the Final Update and Report on PG&E's Safety Culture (NorthStar Report) from the NorthStar Consulting Group (NorthStar).² This is inaccurate for three reasons.

First, we note that the NorthStar Report is not relevant when Energy Safety is determining whether we should be granted a safety certification. The statute specifically

¹ Public Advocates Office Comments on the Electric Utilities' Safety Certification Requests (Cal Advocates Comments) (Oct. 4, 2022).

² Cal Advocates Comments at pp. 2-3.

requires the utility to agree to “to implement the findings of its most recent safety culture assessment performed pursuant to Section 8386.2.”³ Section 8386.2 specifically refers to Energy Safety’s annual safety culture assessment process and not to any other regulatory agencies or any other safety culture proceedings. The NorthStar Report was the result of an Order Instituting Investigation conducted by the California Public Utilities Commission (CPUC),⁴ not Energy Safety, and is therefore unrelated to the statutory requirements for safety certification.

Second, even if it met this first statutory criterion, the NorthStar Report is not the “most recent safety culture assessment” that must be implemented pursuant to the statutory requirements.⁵ The report cited by Cal Advocates is merely a status update on the safety culture assessment published by NorthStar on May 8, 2017, and as such is described as a “Final Update.”⁶ Indeed, NorthStar specifically notes in its September 16, 2022 update⁷ that “NorthStar was not asked to re-assess PG&E’s safety culture or opine on the significant changes and events that have occurred over the five year period of NorthStar’s engagement.”⁸ Thus, the most recent safety culture assessment remains the assessment performed by DEKRA on behalf of Energy Safety and published on October 6, 2021, which we fully agreed to implement.⁹

Additionally, even though it is not specifically relevant to the safety certification process, we disagree with Cal Advocates’ assertion that the NorthStar Report “notes key gaps in PG&E’s safety culture” and that “there is no evidence available that PG&E has agreed to implement the findings contained in the final NorthStar report.”¹⁰ We have worked diligently to address and implement the recommendations in the NorthStar Report over the past five years and have been successful in doing so. We provide an extensive discussion of our implementation of these recommendations — including those identified by Cal Advocates — in our regulatory filings with the CPUC.¹¹ Moreover, even if it were relevant and if we had not already thoroughly responded to each of NorthStar’s recommendations, the appropriate place to argue this issue is in the

³ Pub. Util. Code § 8389(e)(2).

⁴ I.15-08-019.

⁵ Pub. Util. Code § 8389(e)(2).

⁶ NorthStar Report at p. 1 and cover page.

⁷ Although the update was published on September 16, 2022, it is dated December 27, 2021.

⁸ NorthStar Report at p. 2.

⁹ PG&E 2022 Request for Safety Certification (Sept. 14, 2022) at p. 2.

¹⁰ Cal Advocates Comments at pp. 2-3.

¹¹ See, *inter alia*, Opening Comments of PG&E Company and PG&E Corporation on NorthStar Consulting Group’s Final Update and Report, I.15-08-019 (Oct. 7, 2022); Opening Comments of Pacific Gas and Electric Company on Administrative Law Judge’s Ruling on Case Status, I.15-08-019 (Aug. 4, 2020).

CPUC proceeding that produced this report, I.15-08-019, not Energy Safety's Safety Certification proceeding.

Therefore, given that the statute specifies the safety culture assessment in question must be Energy Safety's and not that from NorthStar, the NorthStar report is not the most recent safety culture assessment, and we extensively documented our implementation of NorthStar's recommendations over a five year period, Cal Advocates' argument should be rejected.

ENERGY SAFETY HAS REPEATEDLY REJECTED CAL ADVOCATES' ARGUMENT THAT IMPLEMENTING THE SAFETY CULTURE ASSESSMENT FINDINGS IS NOT SUFFICIENT TO MEET THE STATUTORY REQUIREMENTS

Cal Advocates' argument that a utility accepting the findings of its most recent safety culture assessment was insufficient to satisfy the requirement of good standing — and that Energy Safety must “look beyond the utility's agreement to implement the findings of its safety culture assessment”¹² — were repeatedly rejected by Energy Safety.¹³ Thus, after continually being told that its arguments on the Section 8389(e)(2) good standing requirement exceeded the statutory requirements, Cal Advocates attempts to make this same argument in a roundabout manner by applying it to Section 8389(e)(7). Specifically, Cal Advocates argues that a utility must demonstrate the implementation of its safety culture assessment through “substantive action plans,” “clear milestones,” “measurable outcome metrics,” and “timelines” in order to meet the requirements of Section 8389(e)(7).¹⁴

However, Section 8389(e)(7) involves the implementation of a utility's approved wildfire mitigation plan (WMP), which is explicitly met through a utility's filing of quarterly notifications.¹⁵ While these quarterly notifications must provide detail on the implementation of the utility's WMP, as well as its most recent safety culture assessment, there is no statutory requirement that they provide “substantive action plans,” “clear milestones,” “measurable outcome metrics,” and “timelines.”¹⁶ Indeed, the statute clearly states that the quarterly notifications need only: (1) detail the implementation of a utility's WMP; (2) detail the implementation of the most recent safety culture assessment; (3) provide a statement on the recommendations of the board of directors safety committee meetings that occurred during the quarter; and (4)

¹² Comments of the Public Advocates Office on the Safety Certification Request of PG&E (Dec. 13, 2021) at p. 4.

¹³ See PG&E Reply Comments to Request for 2021 Safety Certification Pursuant to Pub. Util. Code § 8389 (Dec. 23, 2021) at pp. 2-3; Public Advocates Office Comments on Draft 2022 Safety Certification Guidelines (Aug. 8, 2022) at pp. 2-4; Energy Safety 2022 Safety Certification Guidelines (Aug. 25, 2022) at p. 4.

¹⁴ Cal Advocates Comments at p. 3.

¹⁵ Pub. Util. Code § 8389(e)(7).

¹⁶ Pub. Util. Code § 8389(e)(7).

summarize the implementation of the safety committee recommendations from the utility's previous quarterly notification.¹⁷ Thus, such a requirement would exceed the plain language of the statute.

Consequently, given that Cal Advocates' argument attempting to increase the threshold for demonstrating implementation of safety culture practices is both substantively and procedurally incorrect, it should be rejected by Energy Safety.

CAL ADVOCATES MAKES BOTH PROCEDURALLY IMPROPER ARGUMENTS AND MISCHARACTERIZES PG&E'S ASSET TAG BACKLOG AND ASSET INSPECTIONS

Cal Advocates uses its reply comments on the safety certification process to improperly argue that we have not sufficiently responded to Energy Safety's Revision Notice relating to our asset tag backlog.¹⁸ First, we note that the Safety Certification proceeding is not the appropriate venue to argue about the merits of our Revised WMP. Cal Advocates was, and will continue to be, afforded ample opportunity to comment on our plan to reduce our asset tag backlog. They did so in their comments on our Revised WMP¹⁹ and they will have the opportunity to do so in their comments on Energy Safety's Draft Decision on our 2022 WMP Update.²⁰ Cal Advocates is attempting to use the safety certification proceeding as an extension of Energy Safety's WMP proceeding in order to obtain multiple opportunities to argue that our 2022 WMP should not be approved. This is improper and, consequently, this argument should be ignored.

Second, even if this were the appropriate proceeding in which to make this argument, we have already addressed this exact same argument (previously made by Cal Advocates) in our reply comments to our Revised WMP.²¹ In brief, Cal Advocates continues to mischaracterize our asset tag backlog by conflating all asset tags and ignoring that a risk-based strategy for reducing our asset tag backlog, while continuing other important and necessary wildfire mitigation work, is the best strategy to address this issue. Since Cal Advocates is merely repeating old arguments that have already been considered by Energy Safety, this argument should be rejected.

Cal Advocates then makes the similarly misplaced argument that our response to Energy Safety's Revision Notice on our asset inspection quality is insufficient.²² Here

¹⁷ Pub. Util. Code § 8389(e)(7).

¹⁸ Cal Advocates Comments at p. 4.

¹⁹ Public Advocates Comments on PG&E's Revised 2022 WMP (Aug. 10, 2022).

²⁰ Opening comments on our Energy Safety's Draft Decision on our 2022 WMP Update are due on October 26, 2022, and reply comments on November 7, 2022. See the cover letter to Energy Safety's Draft Decision on 2022 WMP Update for PG&E (Oct. 6, 2022).

²¹ Reply Comments on the Revised 2022 WMP of PG&E (Aug. 22, 2022) at pp. 33-38.

²² Cal Advocates Comments at pp. 4-5.

