



December 13, 2022

Sumeet Singh  
Executive Vice President, Chief Risk Officer and Chief Safety Officer  
Pacific Gas and Electric Company  
77 Beale Street  
San Francisco, CA 94105

**SUBJECT: Office of Energy Infrastructure Safety Issuance of Pacific Gas and Electric Company's Safety Certification**

Dear Mr. Singh:

The Office of Energy Infrastructure Safety (Energy Safety) hereby issues Pacific Gas and Electric Company (PG&E) a Safety Certification pursuant to Public Utilities Code section 8389(e). As detailed below, PG&E's September 14, 2022, request for a Safety Certification meets all of the statutory requirements.<sup>1</sup> This Safety Certification is valid for twelve months from issuance and has only the force and effect given to it by Public Utilities Code sections 451.1(c) and 8389.

On August 25, 2022, Energy Safety issued its 2022 Safety Certification Guidelines providing the submission requirements for 2022 Safety Certification requests pursuant to Public Utilities Code section 8389(f)(2).<sup>2</sup> Energy Safety received opening comments on PG&E's Safety Certification request from one stakeholder, the California Public Advocates Office (Cal Advocates).<sup>3</sup> PG&E submitted reply comments on October 14, 2022.<sup>4</sup>

Energy Safety has reviewed PG&E's request for a Safety Certification in accordance with the statutory requirements set out in Public Utilities Code section 8389(e). An overview of Energy Safety's findings follows.

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<sup>1</sup> [PG&E's 2022 Safety Certification request](https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=53022&shareable=true)  
(<https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=53022&shareable=true>, accessed Oct. 12, 2022).

<sup>2</sup> [Energy Safety's 2022 Safety Certification Guidelines](https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=52973&shareable=true)  
(<https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=52973&shareable=true>, accessed Sept. 27, 2022).

<sup>3</sup> [Public Advocates Office Comments on Electric Utilities' Safety Certification Requests \(Oct. 4, 2022\)](https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=53086&shareable=true)  
(<https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=53086&shareable=true>, accessed Oct. 12, 2022).

<sup>4</sup> [Pacific Gas & Electric Company's Reply Comments to Request for 2022 Safety Certification Pursuant to Pub. Util. Code § 8389 \(Oct. 14, 2022\)](https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=53108&shareable=true)  
(<https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=53108&shareable=true>, accessed Oct. 17, 2022)

## Discussion

Energy Safety must issue a Safety Certification if PG&E provides documentation that it meets the requirements set forth in Public Utilities Code section 8389(e)(1) through (e)(7), as detailed below.

### 1. Approved Wildfire Mitigation Plan

Public Utilities Code section 8389(e)(1) requires that “[t]he electrical corporation has an approved wildfire mitigation plan [WMP].” PG&E submitted its 2022 WMP Update on February 25, 2022,<sup>5</sup> and a revised 2022 WMP Update on July 26, 2022.<sup>6</sup> Energy Safety issued its decision approving PG&E's 2022 WMP Update on November 10, 2022.<sup>7</sup> PG&E has satisfied the requirement of Public Utilities Code section 8389(e)(1).

### 2. Good Standing

Public Utilities Code section 8389(e)(2) requires that “[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 [SCA] performed pursuant to Section 8386.2 and paragraph (4) of subdivision (d), if applicable.”

Energy Safety's 2022 SCA Guidelines describe Energy Safety's current Public Utilities Code section 8389(d)(4) SCA process.<sup>8</sup> Energy Safety published its inaugural SCA report for PG&E on October 6, 2021.<sup>9</sup> PG&E's SCA was performed by DEKRA Services, Inc. (DEKRA), under contract with Energy Safety. DEKRA identified six recommendations, listed below:

1. *Build leadership skills and ensure leaders are demonstrating those skills regularly in the field to improve the work environment for wildfire and personal safety.*

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<sup>5</sup> [PG&E's 2022 Wildfire Mitigation Plan Update](https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=52084&shareable=true)

(<https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=52084&shareable=true>, accessed Oct. 12, 2022); also 33 attachments (Section 41 Attachment 01 through Section 73a Attachment 01): [see the 2022 WMPs docket for attachments submitted by PG&E Feb. 25, 2022](#)

(<https://efiling.energysafety.ca.gov/Lists/DocketLog.aspx?docketnumber=2022-WMPs>, accessed Oct. 12, 2022).

<sup>6</sup> [PG&E's Revised 2022 Wildfire Mitigation Plan Update](https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=52782&shareable=true)

(<https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=52782&shareable=true>, accessed Oct. 13, 2022); [see the 2022 WMPs docket for the attachments submitted on July 26, 2022](#), including a redline version of the original WMP Update (<https://efiling.energysafety.ca.gov/Lists/DocketLog.aspx?docketnumber=2022-WMPs>, accessed Oct. 13, 2022).

<sup>7</sup> [Energy Safety's Decision on PG&E's 2022 WMP Update](https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=53226&shareable=true)

(<https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=53226&shareable=true>, accessed Nov. 10, 2022).

<sup>8</sup> [2022 Safety Culture Assessment Guidelines \(March 1, 2022\)](https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=52124&shareable=true)

(<https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=52124&shareable=true>, accessed Oct. 17, 2022)

<sup>9</sup> [2021 Safety Culture Assessment Report for PG&E \(Oct. 6, 2021\)](https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=51791&shareable=true)

(<https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=51791&shareable=true>, accessed Oct. 12, 2022).

2. *Establish a governance structure to ensure effective implementation and tracking of the 2025 Workforce Safety Strategy.*
3. *Execute the 2025 Workforce Safety 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 [SCA] within the workforce supporting wildfire mitigation initiatives.*
6. *Recognize and take action to mitigate the risk exposure posed by interactions with certain discontented members of the public.*

On October 25, 2021, PG&E formally agreed to implement the findings (including the recommendations) of its 2021 SCA report.<sup>10</sup> PG&E's agreement to implement the report's findings satisfies the "good standing" requirement of Public Utilities Code section 8389(e)(2) for its 2022 Safety Certification request since this is its most recent SCA performed pursuant to Public Utilities Code section 8386.2 or paragraph (4) of subdivision (d) of Public Utilities Code section 8389. Energy Safety's 2022 SCA report for PG&E is scheduled to be released by the end of the year, at which time PG&E may consider whether to commit to implementing the findings of the 2022 report.

The California Public Utilities Commission (CPUC) is developing its process for carrying out SCAs under Public Utilities Code section 8386.2. For more information on the development of this process, see the relevant scoping memo issued on April 28, 2022,<sup>11</sup> and the Order Instituting Rulemaking establishing the proceeding for developing the CPUC's SCA process issued on October 07, 2021.<sup>12, 13</sup>

In comments on PG&E's Safety Certification request,<sup>14</sup> Cal Advocates states its reservations about Energy Safety accepting PG&E's agreement to implement Energy Safety's 2021 SCA

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<sup>10</sup> [PG&E Acceptance of 2021 Safety Culture Assessment Report \(Oct. 25, 2021\)](https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=51833&shareable=true)

(<https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=51833&shareable=true>, accessed Oct. 12, 2022).

<sup>11</sup> [CPUC Rulemaking 21-10-001, "Assigned Commissioner's Scoping Memo and Ruling" \(April 28, 2022\)](https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M471/K485/471485952.PDF)

(<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M471/K485/471485952.PDF>, accessed Oct. 12, 2022).

<sup>12</sup> [CPUC Rulemaking 21-10-001, "Order Instituting Rulemaking to Develop Safety Culture Assessments for Electric and Natural Gas Utilities" \(Oct. 7, 2021\)](https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M414/K981/414981208.PDF)

(<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M414/K981/414981208.PDF>, accessed Oct. 12, 2022).

<sup>13</sup> [The CPUC docket for Rulemaking 21-10-001](https://apps.cpuc.ca.gov/apex/f?p=401:56:0::NO:RP,57,RIR:P5_PROCEEDING_SELECT:R2110001)

([https://apps.cpuc.ca.gov/apex/f?p=401:56:0::NO:RP,57,RIR:P5\\_PROCEEDING\\_SELECT:R2110001](https://apps.cpuc.ca.gov/apex/f?p=401:56:0::NO:RP,57,RIR:P5_PROCEEDING_SELECT:R2110001), accessed Oct. 13, 2022)

<sup>14</sup> [Public Advocates Office Comments on Electric Utilities' Safety Certification Requests \(Oct. 4, 2022\)](https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=53086&shareable=true)

(<https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=53086&shareable=true>, accessed Oct. 12, 2022).

recommendations for the purposes of establishing good standing for 2022 Safety Certifications as follows:

*By referring to the same 2021 [SCAs] in both 2021 and 2022, utilities are under no obligation to demonstrate that their safety culture has improved since 2021, nor even that their current safety culture is satisfactory at all.*

Cal Advocates further points out that PG&E has not agreed to implement the findings of its SCA under the CPUC Investigation 15-08-019 (pointing to “the final NorthStar report,” published September 16, 2022):<sup>15</sup>

*[T]here is no evidence available that PG&E has agreed to implement the findings contained in the final NorthStar report, which is PG&E's “most recent [SCA]” pursuant to the 2022 Safety Certification Guidelines.*

In Cal Advocates' comments, a footnote on this point erroneously refers to NorthStar's SCA as conducted “pursuant to Public Utilities Code section 8386.2,” a section of code that came into effect in 2019, while the NorthStar SCA was undertaken pursuant to Investigation 15-08-019, launched by the CPUC in 2015. The SCA published in Investigation 15-08-019<sup>16</sup> in 2017 and the findings of subsequent updates to that assessment published in 2019 and 2022 are not SCAs performed under Public Utilities Code section 8386.2<sup>17</sup> or section 8389(d)(4).<sup>18</sup> Per Public Utilities Code section 8389(e)(2), only SCAs performed pursuant to Public Utilities Code sections 8386.2 or 8389(d)(4) can be used to satisfy the “good standing” requirement.

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<sup>15</sup> [“Administrative Law Judge’s Ruling Providing the Final NorthStar Report Update and the Safety Policy Division Staff Report,” Sept. 16, 2022](https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M496/K924/496924619.PDF) (https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M496/K924/496924619.PDF, accessed Oct. 12, 2022).

<sup>16</sup> In the Scoping Memo and Ruling (Scoping Memo) issued by the CPUC for their safety culture assessment rulemaking proceeding, the Scoping Memo raised several issues to be considered in Phase 1 of the proceeding. One of the issues raised was whether CPUC should consider adopting the “definition of safety culture” from I. 15-08-019 ([Order Instituting Rulemaking to Development Safety Culture Assessments for Electric and Natural Gas Utilities](https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M471/K485/471485952.PDF) [https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M471/K485/471485952.PDF, accessed Oct. 17, 2022]). However, as of the date of this letter, the CPUC has yet to finalize its rulemaking for its Public Utilities Code section 8386.2 SCA process.

<sup>17</sup> [Public Utilities Code section 8386.2](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=8386.2.&lawCode=PUC) (https://leginfo.legislature.ca.gov/faces/codes\_displaySection.xhtml?sectionNum=8386.2.&lawCode=PUC, accessed Oct. 12, 2022): effective Jan. 1, 2019, “The [CPUC] shall require a safety culture assessment of each electrical corporation to be conducted by an independent third-party evaluator.”

<sup>18</sup> [Public Utilities Code section 8389](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=8389.&lawCode=PUC) (https://leginfo.legislature.ca.gov/faces/codes\_displaySection.xhtml?sectionNum=8389.&lawCode=PUC, accessed Oct. 12, 2022), subsection (d)(4): “By December 1, 2020, and annually thereafter, the [CPUC], after consultation with [Energy Safety], shall adopt and approve all of the following: [...] A process for the division to conduct annual safety culture assessments for each electrical corporation.”

At this time, the 2021 SCA report produced by DEKRA under Public Utilities Code section 8389(d)(4) is the only SCA PG&E can cite for the purposes of establishing good standing. PG&E must demonstrate meaningful progress in implementing recommendations from this SCA (see "SCA Recommendation Implementation Progress" below for more discussion of this requirement).

### **3. Board of Directors Safety Committee**

Public Utilities Code section 8389(e)(3) requires that "[t]he electrical corporation has established a safety committee of its board of directors composed of members with relevant safety experience."

PG&E's Safety Certification request states that it has established a Safety and Nuclear Oversight (SNO) Committee<sup>19</sup> composed of members of its Board of Directors with relevant experience.

PG&E reports the SNO Committee membership as follows:

- Chair Cheryl F. Campbell
- Jessica L. Denecour
- Admiral Mark E. Ferguson III
- W. Craig Fugate
- Michael R. Niggli
- William L. Smith

PG&E provides brief biographies for these individuals and includes their resumes, highlighting their relevant safety-related education and experience, in Attachment A of its Safety Certification request.

PG&E has satisfied the requirement of Public Utilities Code section 8389(e)(3).

### **4. Executive Compensation**

Public Utilities Code section 8389(e)(4) requires that "[t]he electrical corporation has established an executive incentive compensation structure approved by [Energy Safety] and structured to promote safety as a priority and to ensure public safety and utility financial stability with performance metrics, including incentive compensation based on meeting performance metrics that are measurable and enforceable, for all executive officers, as defined

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<sup>19</sup> Formerly the "Nuclear Oversight and Safety Committee," which was established in 2011, per [the PG&E web page on the SNO Committee](https://www.pgecorp.com/corp/about-us/corporate-governance/corporation-policies/safety-and-nuclear-oversight-committee.page) (https://www.pgecorp.com/corp/about-us/corporate-governance/corporation-policies/safety-and-nuclear-oversight-committee.page, accessed Oct. 13, 2022). This committee is alternately referenced in the singular and the plural in PG&E's Safety Certification and Quarterly Notification submissions. It appears that there are technically two committees, sometimes called the "Safety and Nuclear Oversight Committees of the Board of Directors of PG&E Corporation and Pacific Gas and Electric Company." They appear to have the same membership per committee meeting minutes. In this letter the two identical committees will be referenced in the singular as "the SNO Committee."

in Section 451.5. This may include tying 100 percent of incentive compensation to safety performance and denying all incentive compensation in the event the electrical corporation causes a catastrophic wildfire that results in one or more fatalities.”

Public Utilities Code section 8389(e)(6)(A)(i)(I) requires “[s]trict limits on guaranteed cash compensation, with the primary portion of the executive officers’ compensation based on achievement of objective performance metrics.” Subsection (i)(II), requires “[n]o guaranteed monetary incentives in the compensation structure.” Subsection (ii) requires that the compensation structure “satisfies the compensation principles identified in paragraph (4),” noted above. Subsection (iii) requires “[a] long-term structure that provides a significant portion of compensation, which may take the form of grants of the electrical corporation’s stock, based on the electrical corporation’s long-term performance and value. This compensation shall be held or deferred for a period of at least three years.” Subsection (iv) requires “[m]inimization or elimination of indirect or ancillary compensation that is not aligned with shareholder and taxpayer interest in the electrical corporation.”

Energy Safety published its 2022 Executive Compensation Structure Submission Guidelines on February 14, 2022.<sup>20</sup> PG&E submitted a request for approval of its 2022 executive compensation structure on March 14, 2022.<sup>21</sup> It submitted revisions of this request on March 17, 2022,<sup>22</sup> and May 2, 2022.<sup>23</sup> Energy Safety determined that PG&E’s executive compensation structure satisfied the requirements of Public Utilities Code sections 8389(e)(4) and (e)(6) and approved its executive compensation structure on July 28, 2022.<sup>24</sup> PG&E has satisfied the requirements of Public Utilities Code sections 8389(e)(4) and (e)(6).

## 5. Board-Level Safety Reporting

Public Utilities Code section 8389(e)(5) requires that “[t]he electrical corporation has established board-of-director-level reporting to the [CPUC] and [Energy Safety] on safety issues.”

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<sup>20</sup> [2022 Executive Compensation Guidelines \(Feb. 14, 2022\)](https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=52036&shareable=true)

(<https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=52036&shareable=true>, accessed Oct. 3, 2022).

<sup>21</sup> [PG&E’s request for approval of its 2022 executive compensation structure \(March 14, 2022\)](https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=52168&shareable=true)

(<https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=52168&shareable=true>, accessed Oct. 14, 2022).

<sup>22</sup> [PG&E’s request for approval of its 2022 executive compensation structure – first revision \(dated March 14, 2022, submitted March 17, 2022\)](https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=52186&shareable=true)

(<https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=52186&shareable=true>, accessed Oct. 14, 2022).

<sup>23</sup> [PG&E’s request for approval of its 2022 executive compensation structure – second revision \(May 2, 2022\)](https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=52396&shareable=true)

(<https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=52396&shareable=true>, accessed Oct. 14, 2022).

<sup>24</sup> [Approval of PG&E’s 2022 Executive Compensation structure \(dated July 28, 2022, published July 29, 2022\)](https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=52810&shareable=true)

(<https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=52810&shareable=true>, accessed Oct. 14, 2022).

To satisfy the requirements of Public Utilities Code section 8389(e)(5), PG&E's Safety Certification request cites the then upcoming September 22, 2022, public meeting on utility safety practices, hosted jointly by the CPUC and Energy Safety.

On September 22, 2022, subsequent to PG&E's September 14, 2022, Safety Certification request, members of PG&E's Board of Directors and staff gave a presentation and answered questions on utility safety practices at a public meeting hosted jointly by the CPUC and Energy Safety.<sup>25</sup> The purpose of this meeting was to provide information to the CPUC, Energy Safety, and the public about the electrical infrastructure safety efforts of PG&E, including progress and challenges concerning wildfire mitigation, worker safety, and safety culture. PG&E provides a link to a PDF of the slides used at this presentation in its Safety Certification request.<sup>26</sup>

Cheryl F. Campbell, SNO Committee Chair, represented the PG&E Board of Directors in the presentation. The following PG&E staff also presented: Adam Wright, Executive Vice President, Operations and Chief Operating Officer, and Sumeet Singh, Executive Vice President, Chief Risk Officer and Chief Safety Officer.

PG&E has met the requirements of Public Utilities Code section 8389(e)(5).

## **6. Limits on Executive Compensation**

Public Utilities Code section 8389(e)(6) is addressed under "Executive Compensation" above.

## **7. Implementation of a WMP**

Public Utilities Code section 8389(e)(7) requires that "[t]he electrical corporation is implementing its approved [WMP]." This statute requires the electrical corporation to "file a notification of implementation of its [WMP] with [Energy Safety] and an information-only submittal with the [CPUC] on a quarterly basis." These quarterly notifications and information-only submittals must include information on "the implementation of both its approved [WMP] and recommendations of the most recent [SCAs] by the [CPUC] and [Energy Safety], and a statement of the recommendations of the board of directors safety committee meetings that occurred during the quarter." The statute also stipulates that these quarterly notifications and submittals must "summarize the implementation of the safety committee recommendations from the electrical corporation's previous notification and submission."

The 2022 Safety Certification Guidelines further specify that "the electrical corporation must demonstrate meaningful progress in implementing its WMP and the recommendations of its

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<sup>25</sup> [View a recording of the meeting held September 22, 2022, "Public Briefings on Utility Safety Practices"](https://www.adminmonitor.com/ca/cpuc/other/202209223/) (https://www.adminmonitor.com/ca/cpuc/other/202209223/, accessed Oct. 6, 2022). PG&E's presentation begins at the 1:37:00 minute mark.

<sup>26</sup> [PG&E Safety Briefing \(Sept. 22, 2022\)](https://www.pge.com/pge_global/common/pdfs/safety/emergency-preparedness/natural-disaster/wildfires/wildfire-mitigation-plan/2022-Safety-Certification.pdf) (https://www.pge.com/pge\_global/common/pdfs/safety/emergency-preparedness/natural-disaster/wildfires/wildfire-mitigation-plan/2022-Safety-Certification.pdf, accessed Oct. 14, 2022)

CPUC and Energy Safety [SCAs]. Safety Certification requests should highlight the progress made toward completing WMP targets and explain any delayed or off-track efforts. Requests should also demonstrate progress in implementing the findings of its most recent [SCA].”

Subsequent to receiving its last Safety Certification,<sup>27</sup> PG&E submitted quarterly notifications to Energy Safety on the required subjects on February 1,<sup>28</sup> May 2,<sup>29</sup> August 1,<sup>30</sup> and November 1, 2022.<sup>31</sup> Attachments to these notifications include the quantitative metrics indicating PG&E's progress on wildfire mitigation initiatives described in its 2022 WMP Update.

PG&E concurrently provides its Quarterly Notifications as information-only submittals to the CPUC by posting them to its service lists for CPUC Investigations 19-09-016 and 15-08-019.<sup>32</sup>

### **WMP Implementation Progress:**

In its Safety Certification request, PG&E reports that it is tracking 54 targets on its mitigation initiatives proposed in its 2022 WMP Update.<sup>33</sup> These targets describe PG&E's progress on its

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<sup>27</sup> [Office of Energy Infrastructure Safety Issuance of Pacific Gas and Electric Company's Safety Certification from Jan. 31, 2022](https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=51983&shareable=true) (https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=51983&shareable=true, accessed Oct. 14, 2022).

<sup>28</sup> [PG&E Quarterly Notification Letter from Feb. 1, 2022](https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=52008&shareable=true) (https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=52008&shareable=true, accessed Oct. 14, 2022).

<sup>29</sup> [PG&E Quarterly Notification Letter from May 2, 2022](https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=52381&shareable=true) (https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=52381&shareable=true, accessed Oct. 14, 2022).

<sup>30</sup> [PG&E Quarterly Notification Letter from Aug. 1, 2022](https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=52832&shareable=true) (https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=52832&shareable=true, accessed Oct. 14, 2022).

<sup>31</sup> [PG&E Quarterly Notification Letter from Nov. 1, 2022](https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=53162&shareable=true) (https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=53162&shareable=true, accessed Nov. 15, 2022).

<sup>32</sup> Per email from PG&E Regulatory Relations Advocacy Director Wade Greenacre (Oct. 17, 2022): “Each quarter, [PG&E has] been serving [its] Quarterly Notifications concurrent with [its] submission to Energy Safety” via the service lists for CPUC Investigations 19-09-016 and 15-08-019. CPUC Investigations 19-09-016 “Order Instituting Investigation on the Commission’s Own Motion to Consider the Ratemaking and Other Implications of a Proposed Plan for Resolution of Voluntary Case filed by Pacific Gas and Electric Company, pursuant to Chapter 11 of the Bankruptcy Code, in the United States Bankruptcy Court, Northern District of California, San Francisco Division, In re Pacific Gas and Electric Corporation and Pacific Gas and Electric Company, Case No.19-30088,” instituted Sept. 26, 2019; CPUC Investigation 15-08-019 “Order Instituting Investigation on the Commission’s Own Motion to Determine Whether Pacific Gas and Electric Company and PG&E Corporation’s Organizational Culture and Governance Prioritize Safety,” instituted Aug. 27, 2015.

<sup>33</sup> PG&E's Quarterly Notification dated Aug. 1, 2022, specified that it was tracking 52 targets: “A table of all 52 initiative targets, including the current status, is provided in Appendix 1” (p. 3). The two additional targets may be related to this footnote on p. 2: “Two additional initiatives were created as part of our Revision Notice Responses, relating to our asset tag backlog, which will be included beginning with our Q3 2022 reporting.” Comparing the May 2, 2022, Quarterly Notification number of Asset Management and Inspection Targets (9) and the number of



“approximately 120 initiatives.”<sup>34</sup> PG&E reports that it has already reached 21 targets and is on track to meet 23 more targets for these initiatives, for a total of 44 targets completed or on track.

In its Quarterly Notification dated August 1, 2022, PG&E reported that ten 2022 targets were “delayed;” however, in its Safety Certification request it reports ten targets “at risk,” and zero targets “off track.” The ten targets reported delayed in August and at risk in September are not all the same targets and fall in different initiative categories.

Energy Safety’s Compliance Assurance Division is aware of the ten initiatives at risk of being off-track for 2022. The Compliance Assurance Division will monitor and assess the implementation of these initiatives as part of Energy Safety’s compliance assurance activities.<sup>35</sup>

PG&E has met the requirement of Public Utilities Code section 8389(e)(7) to provide information on the implementation of its approved WMP.

In comments on PG&E’s Safety Certification request,<sup>36</sup> Cal Advocates states its concerns about PG&E’s record of addressing safety issues in a “reasonable and prudent manner.” The comments focused in particular on PG&E’s backlog of more than 100,000 overdue maintenance tags and concerns about asset inspection quality.<sup>37</sup> Energy Safety discusses these issues and includes several related areas for continued improvement in its Decision on PG&E’s 2022 WMP Update.<sup>38</sup>

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targets reported in the Safety Certification request (11), it appears two targets were added to that initiative category between May and September 2022.

<sup>34</sup> p. 2, PG&E’s Quarterly Notification dated Aug. 1, 2022.

<sup>35</sup> Energy Safety’s compliance assurance activities are described in the [Compliance Operational Protocols](https://energysafety.ca.gov/wp-content/uploads/docs/misc/wsd/2021.02.16-compliance-operational-protocols.pdf), dated February 16, 2021 (https://energysafety.ca.gov/wp-content/uploads/docs/misc/wsd/2021.02.16-compliance-operational-protocols.pdf, accessed Oct. 6, 2022).

<sup>36</sup> [Public Advocates Office Comments on Electric Utilities’ Safety Certification Requests \(Oct. 4, 2022\)](https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=53086&shareable=true) (https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=53086&shareable=true, accessed Oct. 12, 2022).

<sup>37</sup> [Public Advocates Office Comments on Electric Utilities’ Safety Certification Requests \(Oct. 4, 2022\)](https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=53086&shareable=true) (https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=53086&shareable=true, accessed Oct. 12, 2022).

<sup>38</sup> In Energy Safety’s Decision on PG&E’s 2022 WMP Update, see the areas for continued improvement PG&E-22-17 and PG&E-22-22 (backlog of overdue maintenance tags), PG&E-22-21 (quality assurance and quality control), and PG&E-22-18 and PG&E-22-19 (related issues).

**SCA Recommendation Implementation Progress:**

Energy Safety's most recent SCA<sup>39</sup> for PG&E included six recommendations. PG&E describes actions it has taken to address each recommendation in its Safety Certification request and in its Quarterly Notifications dated February 1, May 2, August 1, and November 1, 2022.

PG&E has met the requirement of Public Utilities Code section 8389(e)(7) to provide information on the implementation of the recommendations of PG&E's most recent SCA.

**Board Safety Committee Recommendations and Implementation Summary:**

PG&E's Safety Certification request asserts that a "complete list of actions recommended by the SNO Committee, as well as the implementation status of those recommendations, can [...] be found in our Quarterly Notifications," citing the Quarterly Notifications dated February 1, May 2, August 1, 2022, and November 1, 2022.

According to the descriptions provided in Quarterly Notifications, PG&E's management has received and responded to the SNO Committee's recommendations.

PG&E has met the requirement of Public Utilities Code section 8389(e)(7) to provide statements of the recommendations of the Board of Directors Safety Committee meetings and summaries of the implementation status of those recommendations.

**Conclusion**

PG&E's request for a Safety Certification satisfies the statutory requirements in Public Utilities Code section 8389(e). Energy Safety expects PG&E to uphold the values stated in its submissions and continue to advance safety as a top priority. This letter constitutes Energy Safety's issuance of PG&E's Safety Certification. Pursuant to Public Utilities Code section 8389(f)(1), this Safety Certification is valid for twelve months from the date of this letter.

/S/ CAROLINE THOMAS JACOBS

Caroline Thomas Jacobs

Director

Office of Energy Infrastructure Safety

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<sup>39</sup> [2021 Safety Culture Assessment Report for PG&E \(Oct. 6, 2021\)](https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=51791&shareable=true)

(<https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=51791&shareable=true>, accessed Oct. 12, 2022).