



Jay Leyno
Director
Community Wildfire Safety Program

Mailing Address: P.O. Box 7442
San Francisco, CA 94120
Telephone: (925) 239-3126
Email: Jay.Leyno@pge.com

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BY ENERGY SAFETY E-FILING

Caroline Thomas Jacobs, Director
Office of Energy Infrastructure Safety
California Natural Resources Agency
715 P Street, 20th Floor
Sacramento, CA 95814

Re: **Comments of Pacific Gas and Electric Company on the 2023 Wildfire Mitigation Plan Guidelines Workshop**
Docket: 2023-WMPs

Dear Director Thomas Jacobs:

Please find enclosed Pacific Gas and Electric Company's comments on the 2023 Wildfire Mitigation Plan Guidelines Workshop that took place on April 22, 2022. If you have any questions, please do not hesitate to contact me.

Very truly yours,

/s/ Jay Leyno

Jay Leyno

**COMMENTS OF PACIFIC GAS AND
ELECTRIC COMPANY ON THE 2023 WILDFIRE
MITIGATION PLAN GUIDELINES WORKSHOP**

JOEL CRANE
KENNETH LEE
Pacific Gas and Electric Company
P.O. Box 7442
San Francisco, CA 94120
Telephone: (415) 973-6971
E-Mail: joel.crane@pge.com

AARON SHAPIRO
Shapiro Law
1375 Sacramento Street, Unit A
San Francisco, CA 94110
Telephone: (415) 754-8181
E-Mail: aaron@apshapirolaw.com

Attorneys for
PACIFIC GAS AND ELECTRIC
COMPANY

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I. INTRODUCTION

Pacific Gas and Electric Company (PG&E) appreciates this opportunity to comment on the 2023 Wildfire Mitigation Plan (WMP) Guidelines Workshop (Workshop) that was held by the Office of Energy Infrastructure Safety (Energy Safety) on April 22, 2022. We strongly support Energy Safety's efforts to initiate 2023 WMP Guideline development early in the year so that the Guidelines can be finalized in the Fall.

Below we provide comments on a number of Energy Safety's workshop proposals. In particular, we believe timing considerations surrounding the 2023 WMP Guidelines are critical in the success of the 2023 process. We also address the proposal to freeze utility risk models and mitigation initiatives and activities for a three-year period. We are supportive of the suggested revisions to the Maturity Model and offer feedback on some additional improvements. Finally, we include some additional proposals for topics that were not covered in the workshop but which we believe would be beneficial.

II. TIMING CONSIDERATIONS FOR THE 2023 WMP GUIDELINES

A. Timing of the Final 2023 WMP Guidelines

Given that Energy Safety is considering significant revisions to the WMP process for 2023, we believe that perhaps the single most important change that can be made to ensure the utilities provide the best possible WMPs is to release the Final 2023 WMP Guidelines by no later than October 1, 2022. This would allow the utilities time to adapt to any changes in the Guidelines and to spend more time developing and refining their WMPs which, in turn, would benefit Energy Safety in performing its analysis of those WMPs. The 2022 WMP Guidelines were not finalized until December 15, 2021, which made it extremely challenging for the utilities to prepare their WMPs for a February submission.

Ideally, the Final 2023 WMP Guidelines would be released by mid-September 2022, but by no later than October 1. The 2023 WMP Guidelines Workshop Slides and

Recording (Workshop Slides) propose issuance of draft Guidelines in late August, followed by a 30-day public comment period, and issuance of the final Guidelines October 1, 2022.¹ We recommend shortening the public comment period to 15 days, which is more than sufficient time for parties to prepare comments. Energy Safety could then target issuing the final Guidelines by mid-September with a hard deadline of no later than October 1, 2022. Early issuance of the final Guidelines is critical to the utilities' ability to prepare thorough and complete WMPs, especially given the significant changes envisioned by Energy Safety for 2023.

B. Submission Timelines for the WMPs

In the Workshop Slides, Energy Safety suggested staggering the WMP submissions from the large investor-owned utilities (IOUs). PG&E supports this proposal.² Specifically, we believe that a staggered schedule with two weeks between each submission would allow an appropriate amount of time for cross-utility comparisons and public review and feedback.

Energy Safety also proposed submitting WMPs one year ahead of the WMP effective year (*e.g.*, submitting the 2024 WMP in Fall 2023). We do not believe that submitting WMPs one year ahead of the application period would be beneficial. Given the continuous improvements and refinements made by the utilities, the document under this proposal would be considerably less accurate than the WMPs submitted under the current process. Similarly, the proposal for a one-time, four-year WMP would result in a substantially less informative document with significantly less precise forecasts than are provided in the annual filings.³ We urge Energy Safety to continue the current practice of requiring WMPs to be submitted early in the year in which it is to be approved, which provides the most accurate picture of the work that will be performed that year.

¹ Workshop Slides, p. 6 (Apr. 26, 2022).

² *Id.*, p. 24.

³ *Id.*

III. PROCESS UPDATES

A. Freezing of Risk Models and Mitigation Strategy Would Be Detrimental

At the Workshop, Energy Safety proposed “freezing” fundamental risk models and high-level mitigation strategies.⁴ We appreciate the intent of this proposal, which would potentially make it easier to compare a utility’s performance year over year. However, freezing a utility’s risk models and mitigation strategies for the duration of the three-year WMP cycle would have the opposite of the intended effect of mitigating wildfires.⁵ We are continually refining and improving our risk models, and this continuous enhancement is critical to the function and accuracy of the model. Freezing the model for a three-year period would stop these improvements and make the model less accurate. Similarly, the recommendation to freeze a utility’s mitigation strategy for the same period, which would include changes in any mitigation initiatives and activities, would be equally harmful.⁶ Programs can evolve not only year by year but throughout the year, and it is necessary to have the flexibility to change, improve, or even cancel these programs without waiting for regulatory analysis and approval. While we strongly oppose freezing risk models and mitigation strategies, we recognize that transparency in risk model and mitigation strategy changes is important and thus support describing these changes in subsequent WMPs or other quarterly updates.

B. The Petition Process Should Not Be the Sole Method of Providing Updates

We are largely in favor of having a petition process for updating the WMP, but caution against it functioning as the only manner by which a utility can update the next

⁴ *Id.*, p. 36.

⁵ *Id.*

⁶ *Id.*

year's WMP.⁷ The petition process, as described in the Workshop Slides, would mandate that a utility submit a petition to revise its WMP "the year prior to the next WMP update."⁸ However, it will not always be possible to know the year prior that a certain item should be included in the WMP, and valuable revisions or changes should not be rejected solely based on arbitrary procedural grounds. PG&E supports the use of all five revision methods presented at the Workshop, including petitions.⁹ Each process has separate benefits and having all five available provides important flexibility for addressing different and unique circumstances.

C. Energy Safety Should Consider Whether All the Information that Will Be Shifted to Appendices is Truly Necessary

The proposal to revise the WMP scope and structure is promising and we are generally supportive of the ideas outlined by Energy Safety at the Workshop.¹⁰ However, we do note that a significant amount of information appears as if it will merely be moved to one of eight new appendices, which will serve to streamline and condense the WMP, but will still result in a voluminous submission. We urge Energy Safety to consider removing some of this information from the WMP, rather than merely moving it to an appendix.

IV. RISK MODELING AND ASSESSMENT

The Workshop included detailed slides regarding risk modeling.¹¹ At a high level, some of the modeling proposals raised in the Workshop Slides are being considered and/or implemented by PG&E, such as a frequency based on events,¹² risk framework,¹³

⁷ *Id.*, p. 32.

⁸ *Id.*

⁹ *Id.*, p. 31.

¹⁰ *See id.*, p. 14.

¹¹ *Id.*, pp. 47-65.

¹² *Id.*, p. 50.

¹³ *Id.*, p. 52.

wildfire consequences,¹⁴ and the development of risk maps.¹⁵ We also generally support the preliminary proposals regarding transparency,¹⁶ substantiation,¹⁷ and documentation layout.¹⁸ However, all of these topics were covered at a very high level during the Workshop and there are substantial and critical details which need to be addressed with each of these topics. We believe that the best place to address these risk modeling issues is through the existing Risk Modeling Working Group rather than at a workshop and in workshop comments. We look forward to working with Energy Safety and other stakeholders on more fully reviewing these proposals and adopting aspects of the proposals that make sense in the context of the WMP.

V. POTENTIAL REVISIONS TO THE MATURITY MODEL

A. Improving the Transparency of the Maturity Model

We believe Energy Safety’s ability to conduct cross-utility comparisons could be considerably enhanced with increased transparency for the Maturity Model process. Energy Safety recognized this potential at the Workshop, and provided three recommendations to increase transparency: (1) “[e]stablish transparent criteria used to determine maturity levels;” (2) “[d]evelop strategy for fuse capability maturity levels to provide additional insights in utility progress beyond existing capability and category maturity levels;” and (3) “[r]edesign maturity levels and survey questions to facilitate third party and compliance review.”¹⁹ We agree with each of these recommendations and believe improvements in these areas would benefit both Energy Safety and the utilities. However, we would also encourage Energy Safety to make additional refinements to the

¹⁴ *Id.*, p. 53.

¹⁵ *Id.*, pp. 55-58

¹⁶ *Id.*, p. 60.

¹⁷ *Id.*, p. 61.

¹⁸ *Id.*, pp. 64-65.

¹⁹ *Id.*, p. 89.

transparency of the Maturity Model. Specifically, we would also urge Energy Safety to consider providing greater clarity into the survey questions themselves and to provide narrative guidance as to how the Energy Safety intends the questions to be interpreted. Even for seemingly simple questions there are many different possible assumptions that a responding party must make, and it would benefit all parties if more detailed and formal explanation was provided for the questions. Thus, we propose the utilities work with Energy Safety to develop a common understanding of the survey questions so as to increase consistency in the responses. This collaboration between Energy Safety and the utilities to focus on transparency would become even more important if the Maturity Model is integrated into the WMPs, as was proposed at the Workshop.²⁰

B. Streamlining the Maturity Model

We are supportive of Energy Safety’s proposal to reorganize and streamline the Maturity Model.²¹ In particular, the concept of merging multiple “capabilities” into a single capability in order to refine the model is promising, as is the creation of unified scoring philosophies which could offer more consistency.²² Similarly, we support the proposal to create a “word-limited narrative” in the survey that would allow for a description of activities undertaken and comments for consideration.²³

C. Coordinating the Timing of the Submission of the Maturity Model

One additional minor modification that we urge Energy Safety to consider is to align the survey due date with that of a utility’s WMP. Coordinating both submissions for the same date will increase consistency between the two submissions and lesson the need for potential revisions to the survey based on information that is later included in the WMP.

²⁰ *Id.*, pp. 89-90, 113.

²¹ *Id.*, p. 91.

²² *Id.*, pp. 91-92.

²³ *Id.*, p. 112.

VI. ADDITIONAL PROPOSALS NOT INCLUDED IN THE WORKSHOP PRESENTATION

As described in the announcement for the Workshop, PG&E also provides here several additional proposals for Energy Safety's consideration that were not included in the Workshop Slides or discussed at the Workshop.²⁴

A. Discovery Process Timelines

While the expedited discovery deadlines prior to WMP approval can be strenuous, we understand the necessity for this accelerated process. However, we propose that, during the time period from WMP submission to WMP approval, Energy Safety slightly revise the discovery procedure. Specifically, we propose that responses to data requests be due within three (3) business days on a best effort basis, but the utilities would not need to formally request an extension unless the data request response could not be provided within five (5) business days. Data requests can often be quite large and include numerous sub-parts, causing the total number of questions in each set to be significantly higher than the number actually listed. This proposal would ease the process where it is simply not possible to respond to lengthy, data-intensive requests and would reduce the number of times that a utility needs to seek an extension.

B. Revising the Financial Reporting Structure to Allow for More Intra-Utility Comparison

We also urge Energy Safety to consider revising the WMP financial reporting structure so that it more closely aligns with other regulatory proceedings, such as the utilities' general rate cases (GRCs) or Risk Assessment and Mitigation Phase (RAMP) reports. Aligning WMP financials to better correspond with other significant regulatory proceedings would allow Energy Safety to more easily evaluate a utility's costs and risks across multiple filings, while simultaneously reducing the workload for the utilities by increasing the consistency in their financial reporting across the regulatory environment.

²⁴ Public Meeting Announcement, p. 2 (Apr. 8, 2022) (Written comments "may include topic areas not directly covered during the Workshop.").

Under the current financial structure of the WMP, many of the initiative activity definitions do not correspond with the manner in which PG&E has historically managed the work in question or the finances for that work. As a result, PG&E has been disassembling rate case financial views in order to correlate this work, and the finances for this work, with the WMP initiatives. This creates inconsistency with the financial information in the rate case filings, inconsistency with the risk spend efficiency (RSE) scores between the rate cases and WMPs, is an extremely labor-intensive process with a risk for manual error, and provides potentially less refined financial numbers in the WMP since it is difficult to precisely align the work. Therefore, we recommend the financial reporting structure be revised so that the rate case filing structure be used to map the work and related financials to the WMP initiative templates. This proposal would continue to use the WMP initiative templates provided by Energy Safety but would also allow the utilities to avoid disassembling the rate case filing structure. Instead, the utilities would highlight where specific rate case programs and initiatives overlap. This change would not only promote consistency between the regulatory filings but also more exact and comprehensible financial data.

C. Adjusting the Timing of the Fourth Quarter Quarterly Data Report Submission

Energy Safety should consider slightly realigning the schedules for the fourth quarter (Q4) Quarterly Data Report (QDR) submission so that the Q4 QDR is submitted concurrently with that utility's annual WMP submission. Under the current process, the Q4 QDR is submitted simultaneously with the other quarterly submissions several weeks before the WMPs are due, particularly if the large IOUs' WMPs are staggered as they were in 2022. This multiple week gap between the submission of the Q4 QDR and the subsequent WMPs causes there to be a disparity between the data in these submissions. Thus, in the interest of efficiency and not requiring the utilities to create two separate data

sets only a few weeks apart, the timing of the Q4 QDR should be re-aligned to coincide with that utility's WMP.

VII. CONCLUSION

PG&E appreciates the detailed and thoughtful ideas that were presented at the Workshop, as well as the opportunity to provide input on the format and substance of the 2023 WMP Guidelines. We urge Energy Safety to consider the proposals provided in these comments that we believe could continue to improve both the process and the WMPs that result from that process.

Respectfully Submitted,

JOEL CRANE
KENNETH LEE
Pacific Gas and Electric Company
P.O. Box 7442
San Francisco, CA 94120
Telephone: (415) 973-6971
E-Mail: joel.crane@pge.com

Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY