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BY ELECTRONIC FILING

Melissa Semcer
Deputy Director, Electric Infrastructure Directorate
Office of Energy Infrastructure Safety
California Natural Resources Agency
715 P Street, 20th Floor
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Re: **Reply Comments of Pacific Gas and Electric Company on Draft Decision**
Docket: 2022-WMPs

Dear Deputy Director Semcer:

Pacific Gas and Electric Company (PG&E) respectfully submits these reply comments on the Draft Decision of the Office of Energy Infrastructure Safety (Energy Safety) on PG&E's 2022 Wildfire Mitigation Plan Update (WMP). The Public Advocates Office (Cal Advocates)¹ and the Green Power Institute (GPI) were the only parties that filed comments on the Draft Decision other than PG&E.² We address the relevant issues raised in these parties' comments below, grouping them by category where possible.

1. Language Explaining the Meaning of Energy Safety's Decision

GPI urges Energy Safety to require all WMP Draft Decisions to "include a statement explaining that plan approval does not necessarily imply a utility is safely operating the grid in their territory, especially in cases where remediation plans are proposed in the WMP but critical issues persist."³ We believe such a statement is unnecessary given that Energy Safety already included a paragraph explaining this concept in more precise and comprehensive language:

Energy Safety's approval of a WMP or WMP Update does not mean that the utility has reached the highest levels of maturity or has reduced its ignition risk to zero. Rather, approval means the utility has satisfied the evaluation criteria and substantiated its mitigation strategy such that implementation of the plan is appropriate. When Energy Safety approves a WMP or WMP Update, it does so with an eye toward continued improvement. Therefore, in this Decision, Energy Safety lists areas where the utility must continue to mature in its capabilities,

¹ Public Advocates Office Comments on the Draft Decision Approving PG&E's 2022 Wildfire Mitigation Plan Update (Cal Advocates Comments) (Oct. 26, 2022).

² Comments of the Green Power Institute on the OEIS Draft Decision on PG&E's 2022 WMP Update (GPI Comments) (Oct. 26, 2022).

³ GPI Comments, p. 1.

known as areas for continued improvement.⁴

This exact language also appears in the Final Decisions approving the 2022 WMPs of San Diego Gas & Electric Company (SDG&E) and Southern California Edison Company (SCE).⁵ Since SDG&E's and SCE's WMP decisions have already been finalized, it would be logical to keep consistent language among the utilities for the 2022 WMPs.

2. Asset Tag Backlog and Asset Inspection

Cal Advocates argues that a “reasonable” interpretation of the Draft Decision is that it requires PG&E to eliminate our full asset tag backlog by the end of 2023, but notes that Energy Safety should “clarify its directive” with respect to this issue.⁶ We do not believe that it is Energy Safety's intent that we eliminate the full asset tag backlog by the end of 2023, nor that the plain language of the Draft Decision supports such an interpretation. In particular, Energy Safety states that our Revised WMP “demonstrated a significant step forward by committing to numeric targets specific to reducing the existing tag backlog in 2022 and 2023” and that we “must provide a plan describing” our “progress on closing work orders to eventually reach a functional capability whereby more work orders are being closed than are being opened.”⁷ Given that Energy Safety notes with approval the language in our Revised WMP which specifically explained that we would not remediate our entire tag backlog by the end of 2023 and then states that we must “eventually” accomplish this goal, Cal Advocates' interpretation is not reasonable. Furthermore, as explained in detail in our Revised WMP, while we are committed to reducing our tag backlog, it would be harmful if we focused on remediating low risk tags simply to reduce the backlog at a faster rate when there is other, higher risk work that needs to be performed in the short-term and which will provide greater public benefit.⁸

Regarding the asset tag backlog, GPI states that “the Draft Decision may send an unintended message regarding whether the [asset tag backlog] critical issue is remedied or acceptable versus whether there is a plan to remedy it in the coming years.”⁹ We disagree that the Draft Decision is unclear on this point and that readers may be confused as to whether the message is anything other than that the asset tag backlog must be remediated. Indeed, the Draft Decision states in unequivocal language that “PG&E has a significant backlog of repairs and needs a more aggressive plan to address the poor health of its infrastructure.”¹⁰ At the same time, we believe the Draft Decision recognizes that wildfire mitigation work must be prioritized based on risk, and remediating lower risk, overdue tags at the expense of other higher risk work does not

⁴ Draft Decision, p. 21.

⁵ Final Decision on San Diego Gas & Electric Company's 2022 Wildfire Mitigation Plan (July 5, 2022), p. 9; Final Decision on Southern California Edison's 2022 Wildfire Mitigation Plan Update (Aug. 16, 2022), p. 10.

⁶ Cal Advocates Comments, p. 6.

⁷ Draft Decision, pp. 92, 94.

⁸ PG&E Revised 2022 WMP, pp. 675-690.

⁹ GPI Comments, p. 2.

¹⁰ Draft Decision, p. 12.

improve public safety and is not the best use of resources.

GPI also incorrectly states in its comments that our tag backlog consists of overdue Priority A and B tags and that this “remains an issue” because these tags are “high-risk.”¹¹ However, as we explain in our Revised WMP, our asset tag backlog is not composed of A or B tags and we have, and will continue to, emphasize remediating these tags as quickly as possible precisely because they are high-risk tags.¹²

Turning to quality assurance (QA) and quality control (QC) of asset inspections, GPI urges Energy Safety to set “QA/QC pass rate standards similar to the 95 percent ‘acceptable quality level for performance’ required for its vegetation management quality assurance and quality verification program.”¹³ However, as described in our Revised WMP, given that we already have quarterly/annual goals related to findings or pass rates ranging from 90% to 95.5% — and that these goals are set each year to improve upon the previous year’s goals — we do not believe such a requirement is necessary.¹⁴ This is particularly true in light of the detailed Areas for Continued Improvement (ACI) already prescribed by Energy Safety.¹⁵

On this same topic, Cal Advocates argues that “Energy Safety should require PG&E to identify the causes of its poor asset inspection quality in 2022.”¹⁶ While we disagree with the description of our asset inspection quality as “poor,” we believe this recommendation is unnecessary given that we already included a detailed narrative in our Revised WMP explaining the recent changes we implemented and how they will continue to improve our inspection numbers over the next several years.¹⁷ Furthermore, Energy Safety also set three separate ACIs relating to our asset inspections, each containing multiple distinct requirements, and we believe these ACIs sufficiently address this issue.¹⁸

3. Undergrounding and System Hardening

Cal Advocates argues that ACI PG&E-22-34, which involves risk modeling related to undergrounding, should be revised to include additional requirements.¹⁹ Specifically, Cal Advocates suggests that we must conduct a “rigorous, quantitative analysis of alternative mitigation techniques” and that our analysis should “support an overall mitigation strategy” that prioritizes work according to risk, addresses risk by location, uses resources effectively, and

¹¹ GPI Comments, p. 1

¹² PG&E Revised 2022 WMP, p. 677.

¹³ GPI Comments p. 5.

¹⁴ See PG&E Revised 2022 WMP, pp. 713-714.

¹⁵ Draft Decision, pp. 102-103.

¹⁶ Cal Advocates Comments, p. 5.

¹⁷ PG&E Revised 2022 WMP, pp. 710-717.

¹⁸ Draft Decision, pp. 177-178.

¹⁹ Cal Advocates Comments, p. 8.

evaluates “a menu of alternatives.”²⁰ From this suggestion, it is unclear if Cal Advocates is suggesting that a narrative be included with this information or that specific calculations and workpapers be included with the WMP to provide this information. If Cal Advocates is requesting a narrative description, we note that we already provide substantial information on how our risk scores are calculated and how that is used in our system hardening efforts.²¹ However, if Cal Advocates is urging Energy Safety to require additional calculations as to our system hardening work, we address this below in our response to GPI, who makes a similar request but provides more detail as to what is being sought.

GPI makes a similar recommendation to Cal Advocates, in this instance for ACI PG&E-22-16, which requires that we provide a spreadsheet with annual locations and mileage for future underground work.²² More specifically, GPI urges Energy Safety to amend the ACI to include a requirement to demonstrate that “undergrounding is risk-spend efficient at the project level when compared to other grid hardening efforts.”²³ GPI states that this should be done through a “rigorous quantitative analysis of alternative strategies that prioritizes a mitigation strategy according to highest risk, addresses risk by location and uses limited resources effectively.”²⁴ Given these specific parameters, we recommend against adding such a requirement to PG&E-22-16. In particular, since this would require us to project these scores multiple years into the future, and these scores will likely change in the intervening years, we do not believe the burden of producing this information outweighs its benefits.

In this vein, in addition to its argument about quantitative analysis of mitigation techniques, Cal Advocates also argues that our spending calculations may change, and cause us to spend inefficiently, because our risk model continues to evolve and may change “significantly from year to year.”²⁵ As noted above, it is true that the risk model does — and will continue to — change but we do not recommend stopping or delaying our system hardening work for this reason. Indeed, the purpose of a risk-based wildfire mitigation strategy is to first mitigate the areas that presently suffer from the highest fire risk and not to delay in performing this work. We do not think it is appropriate to delay system hardening work in high-risk areas in the hope that risk in those areas might decrease at some future date.

Based on its previous arguments, Cal Advocates urges Energy Safety to require us to consider “adjusting both the scope and pace” of our undergrounding program.²⁶ However, this is not a reasonable request given that the calculations in question support the value of our undergrounding program, and Cal Advocates offers no evidence or analyses that would indicate we should change the pace of our program.

²⁰ Cal Advocates Comments, p. 8.

²¹ See PG&E Revised 2022 WMP, pp. 134-225, 358-361, 554-555.

²² GPI Comments, p. 14.

²³ GPI Comments, p. 14.

²⁴ GPI Comments, p. 14.

²⁵ Cal Advocates Comments, p. 8.

²⁶ Cal Advocates Comments, p. 8.

4. Costs to Ratepayers

GPI asserts that the “Draft Decision should establish a plan to determine whether PG&E’s increases in cost to ratepayers over the 2020-22 WMP plan is steeper than other IOUs.”²⁷ We disagree, as this would make the WMP process duplicative of the Commission’s General Rate Case (GRC) process. Furthermore, adding the complexity and volume of the GRC process to the complexity and volume of the WMP would cause the WMP to be even more voluminous and administratively impractical. Given the substantial complexity that each of these two distinct proceedings separately possesses, and the redundancy that would be created by combining them, this recommendation should not be adopted.

GPI makes a similar contention when urging Energy Safety to modify ACI PG&E-22-23 involving the Utility Defensible Space (UDS) program.²⁸ Specifically, GPI argues that the required progress should be amended to include reporting on “a plan for achieving progress” in reducing the needs for the UDS program “that takes affordability into account.”²⁹ Again, taking into account the redundancy of including affordability information into the WMP — and how it would cause further burden on the already challenging WMP process — this requirement, like GPI’s previous recommendation, should not be adopted.

5. Customer Impact of Enhanced Powerline Safety Setting (EPSS)

GPI recommends that Energy Safety update ACI PG&E-22-32 to require the inclusion of data on the “community values” in our EPSS reliability impact study.³⁰ GPI defines “community values” as “life safety, buildings, and critical infrastructure” as well as “human health, natural resources, sensitive species, cultural and historical resources, and other intangibles.”³¹ However, given the ambiguity inherent in this definition and the potential for confusion and disparate results it creates, we do not believe its inclusion in a reliability impact study would be helpful.

6. Fire Risk Modeling

GPI notes that “all utilities, not just PG&E, do not currently factor in suppression effects” in wildfire risk models and recommends that the utilities “should provide the results and current progress of this joint effort as an attachment to their 2023 WMPs.”³² While we agree that this statement is correct, we disagree that an update of our progress on this issue need be included in our 2023 WMP as an attachment. We note that Energy Safety currently leads the joint utility Wildfire Risk Modeling working group that was created in part to establish increased transparency and, if it wishes to focus work on this topic, has no need to require this information

²⁷ GPI Comments, p. 5.

²⁸ GPI Comments, p. 11.

²⁹ GPI Comments, p. 11.

³⁰ GPI Comments, pp. 6-7.

³¹ GPI Comments, pp. 6-7.

³² GPI Comments, pp. 8-9.

as an attachment to the 2023 WMP.³³

Cal Advocates similarly urges Energy Safety to “require PG&E to explain the changes between versions 2 and 3 of its wildfire distribution risk model.”³⁴ We appreciate that Cal Advocates agrees that we have improved our risk models with each iteration.³⁵ If Energy Safety believes it is necessary, we would not be opposed to including a description of the changes to our wildfire distribution risk model. However, we again note that Energy Safety leads the joint utility Wildfire Risk Modeling work group and already has additional transparency into our wildfire risk models, including our distribution model, and may find this request to be unnecessary.

* * *

We appreciate Energy Safety’s approval of our 2022 Revised WMP in the Draft Decision and look forward to working with Energy Safety on the Areas for Continued Improvement. While we have made substantial progress in reducing wildfire risk in our communities, we understand that we must continue to progress in this area and are fully committed to doing so.

Very truly yours,

/s/ Jay Leyno

Jay Leyno

³³ See PG&E Revised 2022 WMP, p. 233.

³⁴ Cal Advocates Comments, p. 2.

³⁵ Cal Advocates Comments, p. 3.