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August 22, 2023

Caroline Thomas Jacobs, Director
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California Natural Resources Agency
Sacramento, CA, 95814
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Subject: William B. Abrams Comments on PG&E's 2023 Wildfire Mitigation Plan Final Revision Notice Response

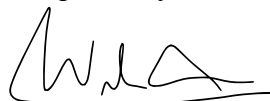
Docket: 2023-2025-WMPs

Attention Director Thomas Jacobs:

William B. Abrams respectfully submits the following comments in response to PG&E's 2023 Wildfire Mitigation Plan Final Revision Notice Response ("PG&E Response") submitted to the Office of Energy Infrastructure Safety of the California Natural Resources Agency ("Energy Safety") on August 7, 2023.

As a PG&E wildfire survivor, ratepayer and Sonoma County resident, I was moved to file these brief comments out of deep concern for resident safety and financial security given the evasive and unsafe manner in which PG&E responded to the Revision Notice. The "alternative approaches" described within their Response and within their Wildfire Mitigation Plan ("WMP") will leave Californians with greater wildfire risk over the next 10 plus years while they redirect resources to the longer-term and investor-favorable undergrounding strategy. I respectfully ask Energy Safety to consider the following comments and to once again redirect PG&E to invest more heavily in short-term and mid-term risk mitigation activities (vegetation management, infrastructure maintenance, etc.) while they develop capacity and execute on their long-term undergrounding strategy.

Respectfully submitted,



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COMMENTS

I. PG&E's "Alternative Approach" Increases Wildfire Risks for California

PG&E cites unspecified "operational execution challenges" and "incremental financial pressures" as their rationale for pursuing an "alternative approach." This "approach" to (1) defer maintenance (2) eliminate quality controls and (3) step away from vegetation management commitments is ill-conceived, investor-driven and dangerous for California. Yes, PG&E should invest in undergrounding but it should not sacrifice our short-term and mid-term safety for the longer-term risk reduction benefits preferred by their utility investors. PG&E must not short change our safety and security. How many catastrophic wildfires should we endure and how much grid reliability should we forego while we wait for PG&E to increase operational capacity and execute on their 10-year undergrounding goal? This false choice of near-term safety and security OR long-term wildfire risk reduction investment is inherent within the PG&E proposed "alternative approach" and should therefore be rejected by Energy Safety. PG&E must not be permitted to step away from their safety and reliability objectives while they invest in their undergrounding strategy. As one of the many wildfire survivors still waiting PG&E to make good on their "make whole" commitment for losses incurred during the 2017 PG&E North Bay Wildfires, I urge Energy Safety to not accept this false choice posed by PG&E that will lead to more lives lost and more devastated communities.

Energy Safety and the California Public Utilities Commission ("CPUC") should consider the PG&E "alternative approach" as not dissimilar to an automobile manufacturer asking regulators and legislators to no longer require air bags and seatbelts in vehicles because in ten years they expect to rely upon safer autonomous vehicles. Of course, this type of proposal would never be approved but this is the ask from PG&E. PG&E will forgo infrastructure safety improvements like covered conductors, operational safeguards like quality controls ("QC") and vegetation management practices while they ramp up undergrounding capabilities. This is literally a "recipe for disaster." Consider the effects of this "alternative approach" at the local-level. PG&E's proposal would take 10 miles of line running through a High Fire Threat District ("HFTD") of Sonoma County that might have otherwise been scheduled for near-term risk reduction activities (exp. enhanced vegetation management, installation of covered conductors and the replacement of C-hooks) and instead would place this section of line on a waitlist for

undergrounding in the next 5-years. This hypothetical scenario would become the reality throughout PG&E territory, leaving our communities at great risk, if the proposed approach is approved by Energy Safety.

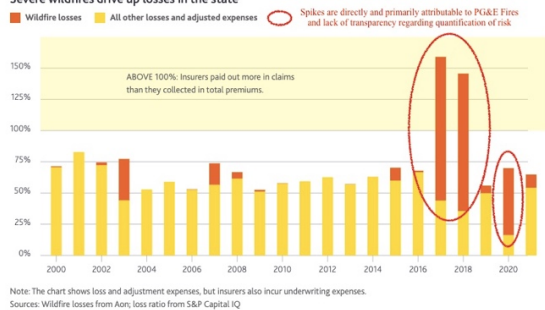
Moreover, Energy Safety should consider that PG&E has not even quantified the increased risk that communities across California will face while they await their turn for underground lines. Will my home in Sonoma County have a 2% increase or a 20% increase in wildfire risk while my family awaits PG&E’s undergrounding of lines? There are calculable opportunity costs here that are left undefined within the PG&E Reply. Energy Safety must require the full disclosure of this increase in risk so our communities understand the real tradeoff PG&E proposes through this Reply and their subsequent WMP. PG&E is scaling back vegetation management, quality controls and other risk mitigation activities because investment in undergrounding reduces risk ONLY in the long-term. What additional risk is PG&E asking residents and insurers to take on while they ramp up their undergrounding capacity?

Yes, PG&E has not quantified this increase in wildfire risk but certainly our insurance providers throughout California have responded and will continue to respond. Allstate and State Farm have left the State of California and Farmers Insurance recently increased their rates by ~45%. The California “Fair Plan” is no longer fair and no longer reliable even for catastrophic losses like those which would be precipitated by the PG&E’s “alternative” WMP. PG&E’s lack of risk transparency and generally poor risk mitigation has been also perceived by reinsurers:

In California ...

Climate change has increased wildfire risk by making it easier for fires to start and spread and by making trees more vulnerable to diseases and insect infestation, which increases the density of dead trees. California remains highly vulnerable to fast-spreading wildfires, which have led to major economic and insured losses in recent years.

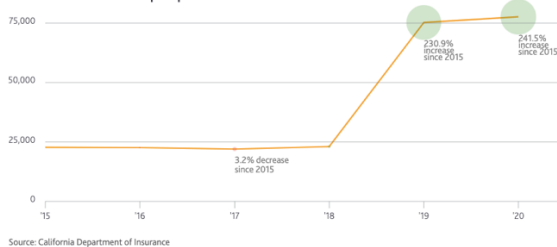
Severe wildfires drive up losses in the state



California's insurer of last resort

Homeowners unable to obtain coverage in the private market, particularly residents in isolated locations, have shifted to California's FAIR Plan, the insurer of last resort. P&C insurers will still bear costs from these policies, because the FAIR Plan, established by statute, is a syndicated fire insurance pool comprising P&C insurers licensed to write business in California.

Annual total of new FAIR plan policies since 2015



* Source: Moody’s “Reinsurers defend against rising tide of natural catastrophe losses, for now, January 10, 2023, <https://www.moody.com/web/en/us/about/insights/data-stories/reinsurers-mitigate-lower-profits.html>

Indeed, PG&E’s propensity to start catastrophic wildfires is the primary contributor to insurance scarcity across California. Energy Safety and the CPUC must hold PG&E to a WMP that alleviates these financial pressures on our communities but instead PG&E proposes an “alternative approach” that will increase risks and lead to further insurance scarcity. Rather than providing transparent calculations and models that would expose these wildfire risk increases; PG&E has crafted a Response to the Revision Notice that seems designed to obfuscate and deflect from the obvious problems with their approach.

II. “Quality Controls” without Measurement are not Quality Controls

PG&E states within their Response that “*while PG&E has not set QC targets, the program is an important tool to help us improve our performance.*”¹ This statement and the rhetoric that follows is counterfactual, disingenuous and dangerous. Quality Controls (“QC”) by definition must include measures or targets to be Quality Controls. Following, an organization cannot have a Quality Control Program without targets. PG&E’s “evolving” plan and statements like “*QC targets and minimum pass rates limits PG&E’s ability to reallocate resources*” is quality assurance malpractice. PG&E understands that by taking away the targets from their QC Program, it also means taking away accountability and the ability of Energy Safety and others to monitor their effectiveness. Simply stated, Energy Safety will not be able to monitor if PG&E moves forward with eliminating targets and measurements from their QC program. Moreover, PG&E’s proposal to “*embed quality at the source by integrating QC with execution processes*” is absolutely the wrong direction. Quality Controls and Quality Assurance Programs need a level of independence within an organization to be effective. Allowing line workers and those performing the wildfire mitigation activities to “self-certify” or do their own QC work goes against recognized and established quality assurance best practices. Moreover, given PG&E’s track record of falsifying safety records, I would hope that Energy Safety would insist that these functions stay separate within the corporation.

¹ See “PG&E’s 2023 Wildfire Mitigation Plan Final Revision Notice Response”, August 7, 2023, pg. 35

III. Less Vegetation Management does not Lead to Reduced Wildfire Risk

PG&E proposes a counter-factual narrative that reducing the scope of their vegetation management will somehow provide greater risk reduction. Renaming the program does not take away from the fact that this change in course includes less intensive vegetation management surrounds their lines. The PG&E hypothesis that they can perform less vegetation management with more “targeted” outcomes seems to belie the facts and causes of past PG&E ignitions like the 2021 Dixie Fire where PG&E was well off “target.” So, it appears that because the facts of PG&E’s poor performance and inability to “target” the right trees do not support their narrative of eliminating the EVM program, they state within their Reply that *“PG&E relied on SME judgment to estimate the effectiveness of the two new VM programs because the work started only this year, and there is not sufficient information to conduct a more quantitative analysis.”* I would ask Energy Safety to consider that perhaps PG&E wants to dispose of their Enhanced Vegetation Management Program because they were not executing it well and that they were consistently missing targets. Of course, it is always easier for an organization to eliminate targets rather than reorient resources and operations to achieve them but that path is not prudent for PG&E or for our communities across California. I respectfully recommend that Energy Safety first require PG&E to demonstrate their newfound ability to effectively target trees through their performance BEFORE approving this move to a “Focused Tree Inspection” program.

IV. Conclusion: PG&E’s Response is Unresponsive, Evasive and Increases Wildfire Risks

We cannot disassociate this vague and inadequate Response from PG&E’s devastating history of wildfires, criminal acts and their pattern of falsifying safety records. The vagaries, counter-factual assertions and QC target elimination represented within the PG&E Reply are all missed opportunities to reassure our communities and our insurance industry that PG&E is on the road to becoming a safer and more reliable utility. Yes, when PG&E eliminates reasonable targets that it has struggled to hit, disposes of quality controls and removes effective enhanced vegetation management based on the perceived opinion of internal SMEs, we should all be very concerned. If PG&E is unable to put forward risk mitigation proposals that pass the “smell test” for insurers and reinsurers then we will no longer have reliable insurance for our homes and

businesses here in California. Moreover, if we look the other way when PG&E puts forward this type of Response that trades away short-term risk mitigation activities for long-term underground dreams, we do our communities a disservice. I respectfully request that Energy Safety consider holding PG&E to account for this Reply and insist on the type of specificity that can keep our communities safe and our homes insurable.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. B. Abrams', written over a horizontal line.

William B. Abrams
Sonoma County Resident