



December 14, 2023

Via Electronic Filing

Caroline Thomas Jacobs, Director
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Subject: Public Advocates Office's Reply Comments on the Draft Decision Approving Pacific Gas and Electric Company's 2023-2025 Wildfire Mitigation Plan

Docket: 2023-2025-WMPs

Dear Director Thomas Jacobs,

The Public Advocates Office at the California Public Utilities Commission (Cal Advocates) respectfully submits the following reply comments on the Draft Decision of the Office of Energy Infrastructure Safety (Energy Safety) approving Pacific Gas and Electric Company's (PG&E) 2023-2025 Wildfire Mitigation Plan. Please contact Nathaniel Skinner (Nathaniel.Skinner@cpuc.ca.gov), Program Manager, or Henry Burton (Henry.Burton@cpuc.ca.gov), Program and Project Supervisor, with any questions relating to these comments.

We respectfully urge the Office of Energy Infrastructure Safety to adopt the recommendations discussed herein.

Sincerely yours,

/s/ **Marybelle Ang**

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I. INTRODUCTION

On March 27, 2023, Pacific Gas and Electric Company (PG&E) filed its *2023-2025 Wildfire Mitigation Plan*. Errata was filed on April 6, 2023 and April 26, 2023 (Initial 2023-2025 WMP). On June 22, 2023, Energy Safety issued a Revision Notice to PG&E.¹ PG&E filed its Revision Notice Response and 2023-2025 WMP R2 on August 7, 2023.² On September 27, 2023, PG&E submitted its Supplemental Response and 2023-2025 WMP R3.³

On November 13, 2023, the Office of Energy Infrastructure Safety (Energy Safety) issued its *Draft Decision on 2023-2025 Wildfire Mitigation Plan of Pacific Gas and Electric Company* (Draft Decision).⁴ The cover letter of the Draft Decision invites interested persons to file opening comments by December 4, 2023 and reply comments by December 14, 2023. Cal Advocates submits these reply comments on the Draft Decision pursuant to the *Final 2023-2025 Wildfire Mitigation Plan Process and Evaluation Guidelines* (2023 WMP Process Guidelines) and the cover letter of the Draft Decision.⁵ In these reply comments, Cal Advocates makes the following recommendations:

- Energy Safety should reject PG&E’s request to remove Area for Continued Improvement PG&E-23-12 from the Draft Decision.
- Energy Safety should adopt TURN’s recommendation to require PG&E’s cost-effectiveness analysis to conform to the methodology adopted in R.20-07-013 (Area for Continued Improvement PG&E-23-05).

¹ Energy Safety, *Revision Notice for Pacific Gas and Electric Company’s 2023-2025 Wildfire Mitigation Plan*, June 22, 2023 (Revision Notice).

² PG&E, *2023-2025 Wildfire Mitigation Plan R2*, August 7, 2023 (2023-2025 WMP R2); PG&E, *2023-2025 Wildfire Mitigation Plan Response to Revision Notice*, August 7, 2023 (Revision Notice Response).

³ PG&E, *2023-2025 Wildfire Mitigation Plan R3*, September 27, 2023 (2023-2025 WMP R3); PG&E, *2023-2025 Wildfire Mitigation Plan Supplemental Response to Revision Notice*, September 27, 2023 (Supplemental Response).

⁴ Energy Safety, *Draft Decision on 2023-2025 Wildfire Mitigation Plan of Pacific Gas and Electric Company*, November 13, 2023 in docket 2023-2025-WMPs (Draft Decision).

⁵ Energy Safety, *Final 2023-2025 Wildfire Mitigation Plan Process and Evaluation Guidelines*, December 6, 2022.

II. DISCUSSION

A. Energy Safety should reject PG&E's request to remove Area for Continued Improvement PG&E-23-12 from the Draft Decision.

At the end of 2022, PG&E had over 276,000 overdue maintenance tags in its distribution system.⁶ In its initial 2023-2025 WMP, PG&E presented a plan to remediate the portion of this backlog⁷ that represented an “ignition risk,” by the end of 2029.⁸ Under its plan, PG&E would correct 101,000 overdue ignition-risk tags in 2024 and 2025.⁹ Energy Safety appropriately determined that this plan was inadequate to address the risk associated with PG&E's noncompliance with General Order (GO) 95.¹⁰

By the end of September 2023, PG&E's distribution backlog had grown to over 471,000 tags.¹¹ In its August 7, 2023 Revision Notice Response, PG&E updated its plan to address the remaining ignition-risk tags¹² within this growing backlog.¹³ Under its revised approach, PG&E states that it “currently plans”¹⁴ to address approximately 24,000 more ignition-risk tags than it proposed in its Initial 2023-2025 WMP, for a total of 125,000 tags by the end of 2025.¹⁵

⁶ PG&E, quarterly data report for quarter 4 of 2022, revised and filed on March 1, 2023 (PG&E's 2022Q4 QDR). Per PG&E's Initial 2023-2025 WMP at 456, approximately 210,000 of these were categorized as “ignition risk.”

⁷ 210,000 tags as of January 1, 2023.

⁸ PG&E, Initial 2023-2025 WMP at 456. This plan would only remediate overdue tags in the HFTD and PG&E's high fire risk area (HFRA). It would not remediate overdue tags in non HFTD/HFRA parts of PG&E's system.

⁹ PG&E, Initial 2023-2025 WMP at 456.

¹⁰ Energy Safety, *Revision Notice for Pacific Gas and Electric Company's 2023-2025 Wildfire Mitigation Plan*, June 22, 2023 (Revision Notice), at 10-14.

¹¹ PG&E, quarterly data report for quarter 3 of 2023, filed on November 1, 2023 (PG&E's 2023Q3 QDR). Per PG&E's response to data request CalAdvocates-PGE-2023WMP-31, October 25, 2023, question 4, approximately 159,000 of these were categorized as “ignition risk.”

¹² There were approximately 159,000 such tags as of September 30, 2023.

¹³ PG&E, Revision Notice Response at 48.

¹⁴ PG&E, *Opening Comments of Pacific Gas and Electric Company to the 2023-2025 Wildfire Mitigation Plan Draft Decision Issued November 13, 2023*, December 4, 2023 (PG&E's opening comments on the Draft Decision) at 5.

¹⁵ “PG&E stated in its revised plan to address its distribution asset work order backlog that it expects to close approximately 20,200 more ignition tags in 2024 and 4,000 more ignition tags in 2025 than under the plan proposed in its original 2023-2025 WMP.” Draft Decision at 57; PG&E, 2023-2025 WMP R3, Table PG&E-8.1.7-2 (REVISED) at 555.

However, PG&E did not update its targets in its WMP to reflect this accelerated goal.¹⁶ PG&E's revised WMP therefore fails to demonstrate a commitment to necessary safety work.

In Area for Continued Improvement (ACI) PG&E-23-12, Energy Safety appropriately directs PG&E to update its targets and commit to its revised plan.¹⁷ In response to this reasonable directive, PG&E requests that Energy Safety permit PG&E to maintain its prior target of only 101,000.¹⁸ Rather than explain why it cannot meet its forecast, PG&E merely claims that a lower commitment will allow “flexibility” to work some high-risk tags that have not yet exceeded their GO 95 due dates.^{19, 20} Thus, like its original and updated plans, PG&E's current plan to address its backlog falls far short of Energy Safety's 2022 directive to eliminate its maintenance backlog by the end of the 2023-2025 WMP cycle.²¹ Notably, PG&E's plans also lack any meaningful discussion of PG&E's rapidly growing backlog of non-ignition-risk tags.

If granted, PG&E's request to maintain its original targets would allow it to deprioritize over 24,000 ignition-risk tags that have already exceeded their GO 95 due dates. This is unreasonable. Given that PG&E has been aware of its large and growing backlog of overdue maintenance orders for several years, it has had more than adequate time to develop a plan and apply resources to address its past failures to comply with GO 95, so that it can maintain compliance going forward.

PG&E attempts to both seek credit for improving safety (through its accelerated plan to address its backlog) and simultaneously avoid any consequences of potentially failing to meet the higher targets associated with this plan. Ultimately, PG&E's request falls far short of a reasonable, let alone robust, commitment to the safety of Californians.

Energy Safety's directive to PG&E to its revised targets is reasonable and appropriate. Energy Safety should reject PG&E's proposal to weaken its commitments. ACI PG&E-23-12 is prudent and should remain in the final decision.

¹⁶ Draft Decision at 56-57.

¹⁷ Draft Decision, Area for Continued Improvement (ACI) PG&E-23-12 at 106.

¹⁸ PG&E's opening comments on the Draft Decision at 6.

¹⁹ PG&E's opening comments on the Draft Decision at 5.

²⁰ PG&E's call for “flexibility” is a distraction, because nothing in ACI PG&E-23-12 would prohibit PG&E from correcting maintenance tags before they become overdue. In fact, GO 95 explicitly requires such proactive management of maintenance tags.

²¹ Final Decision on PG&E's Revised 2022 WMP at 180.

B. Energy Safety should adopt TURN’s recommendation to require PG&E’s cost-effectiveness analysis to conform to the methodology adopted in R.20-07-013 (Area for Continued Improvement PG&E-23-05).

PG&E’s WMP presents a new framework for evaluating the benefit of a mitigation measure against its cost. This framework, captured in PG&E’s Wildfire Benefit Cost Analysis (WBCA), determines the “net benefit” of a mitigation by subtracting the capital and operating expenditures associated with a mitigation from the estimated benefits delivered by that mitigation.²²

The Utility Reform Network (TURN), in its Opening Comments on the Draft Decision, clearly and persuasively explains how this net benefit approach unreasonably favors undergrounding, does not comply with Energy Safety’s Technical Guidelines (which direct utilities to conform to the results of the Rulemaking 20-07-013 proceeding),^{23, 24} and muddies the waters for review of a future cost recovery proceeding at the CPUC.²⁵

Cal Advocates concurs with TURN’s analysis. Table A below further highlights the problem with PG&E’s subtraction-based net-benefit framework.

²² PG&E, 2023-2025 WMP R3 at 420.

²³ Energy Safety, *2023-2025 Wildfire Mitigation Plan Technical Guidelines*, December 6, 2022, Section 7.1.4.1 at 63.

²⁴ Decision (D.) 22-12-027 in Rulemaking (R.) 20-07-013, Ordering Paragraph 1 and Appendix A, directed utilities to transition to a risk-based decision-making framework that, among other things, determines a Cost-Benefit Ratio (CBR), “calculated by dividing the dollar value of Mitigation Benefit by the Mitigation cost estimate,” Appendix A at A-15.

²⁵ TURN, *Comments of The Utility Reform Network on the Draft Decision on Pacific Gas and Electric Company’s 2023-2025 Wildfire Mitigation Plan*, December 4, 2023 (TURN’s opening comments on the Draft Decision) at 1-4.

Table A					
Comparison of net benefit to cost-benefit ratio (CBR)					
Mitigation Alternative	Capital A	Operation and maintenance B	Lifetime benefit C²⁶	WCBA net benefit C-(A+B)	R2007013 cost-benefit ratio (CBR) C/(A+B)
Circuit Segment 1					
Covered Conductor Rebuild with EPSS and DCD	\$31	\$19	\$1,900	\$1,850	38
UG Primary; OH Secondaries and Services	\$126	\$6	\$2,315	\$2,184	17
Circuit Segment 2					
Covered Conductor Rebuild with EPSS and DCD	\$46	\$26	\$116	\$44	1.6
UG Primary; OH Secondaries and Services	\$252	\$8	\$182	-\$78	0.7
Source data: PG&E, 2023-2025 WMP R3, Table RN-PG&E-23-05-3 at 422. Values are rounded to the nearest dollar.					

Table A shows that under PG&E’s preferred subtraction-based metric, it appears that undergrounding is the best option for circuit segment 1, while overhead hardening is the best option for circuit segment 2. However, the cost-benefit ratio (CBR) adopted in Decision 22-12-027 in R.20-07-013,²⁷ shows that overhead hardening is preferable for both circuit segments.

²⁶ Data for variables A, B, C, and C-(A+B) from PG&E, 2023-2025 WMP R3, Table RN-PG&E-23-05-3 at 422.

²⁷ Decision (D.) 22-12-027 in R.20-07-013, Ordering Paragraph 1 and Appendix A, directed utilities to transition to a risk-based decision-making framework that, among other things, determines a Cost-Benefit Ratio (CBR), “calculated by dividing the dollar value of Mitigation Benefit by the Mitigation cost

Indeed, the CBR for overhead hardening is more than double that of undergrounding for both circuit segments.

PG&E appears to posit that, because undergrounding generates a higher estimated lifetime benefit than covered conductor for circuit segment 1 (\$2,315 vs. \$1,900), it is the more appropriate option. However, the CBR provides a more complete picture. For the same cost of undergrounding circuit segment 1, PG&E could use overhead hardening on *more than twice as many miles*. It is likely that this doubled overhead hardening could be completed in a similar timeframe to the proposed undergrounding project, if not faster.²⁸

By allocating resources to overhead hardening instead of undergrounding, PG&E could reduce wildfire risk across a larger area. This approach would create approximately \$3,800 in estimated lifetime benefits, compared to \$2,315 from undergrounding for the same investment.

For these reasons, Cal Advocates supports TURN's recommendation that Energy Safety modify the Draft Decision to avoid an unnecessary endorsement of PG&E's WBCA.²⁹

III. CONCLUSION

Cal Advocates respectfully requests that Energy Safety adopt the recommendations discussed herein.

Respectfully submitted,

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estimate," Appendix A at A-15.

²⁸ Per PG&E, *2022 Wildfire Mitigation Plan Update – Revised*, July 26, 2022, Table PG&E-7.3.3-1 at 466, a typical overhead system hardening project takes approximately 20 months, of which 4 months are construction. Per Table PG&E-7.3.3-5 at 563, a typical undergrounding project takes approximately 34 months, of which 9 months are construction.

²⁹ TURN's Opening Comments on the Draft Decision at 4.