

Staff Workshop to Address Potential Refinements to PG&E's Regionalization Proposal Filed in Application 20-06-011

November 20, 2020



California Public
Utilities Commission

WebEx and Call-In Information

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Event Number: 146 191 0171

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Join by Phone:

- 1-855-282-6330 (toll free); 1-415-655-0002 (toll)
- Meeting number (access code): 146 191 0171

Notes:

- Staff recommends using your computer's audio if possible.
- This workshop will be recorded.
- Presentation and agenda may be downloaded from within Webex.

WebEx Logistics

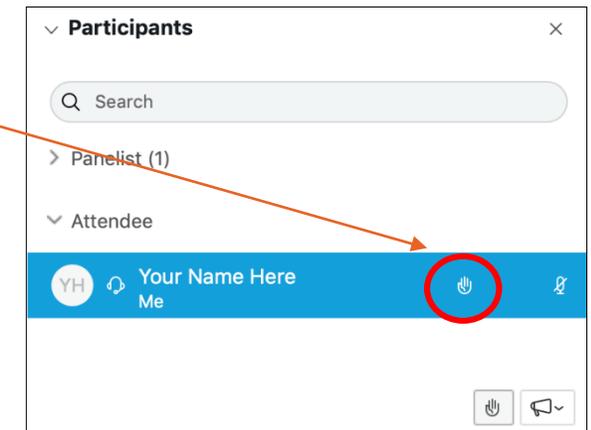
- All attendees are muted on entry by default.
- Questions and Discussion will be done verbally by using the “raise hand” function.
 - The host will unmute you to ask your question.
 - Please “lower hand” when done speaking.
 - If you’d like to speak again, please “re-raise your hand”.
- Chat box is not being monitored.

WebEx Tip

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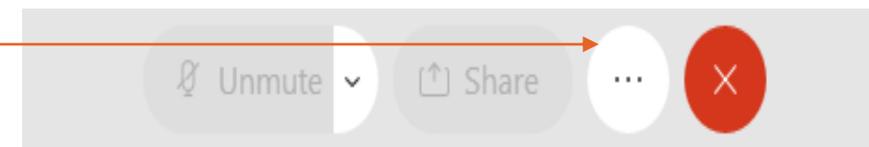


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President Batjer

Opening Remarks

Ground Rules for Today's Workshop

- Today's objective – PG&E to present their regionalization proposal and to receive feedback.
- President Batjer and her staff & staff from Energy Division and Safety Policy Division & other CPUC staff are in attendance and may ask questions. The CPUC will not be making presentations on the substance of PG&E's proposal.
- Presentation and agenda may be downloaded from within Webex.
- No time limit on individual questions initially but may need to set one if numerous parties are queued to speak.

Ground Rules for Today's Workshop (cont'd.)

- Because PG&E will be filing an updated proposal, issues relating to potential cost recovery and the corresponding ratemaking treatment are out of scope for this workshop.
- [R.20-07-013](#) has directed PG&E to propose safety and operational metrics and may be of interest to parties.
- A questions and discussion section will follow most presentation sections. Please use “raise hand” function to request to speak. The chat box will not be monitored by either CPUC staff or PG&E.
- Please state your name and organization each time before you speak.

Agenda

I. Introduction	10:00 – 10:45
• Present workshop logistics, ground rules, and opening remarks (CPUC staff)	
• High level overview of objectives and structure of regionalization proposal (PG&E)	
II. Current Organizational Structure	
• Overview (PG&E)	10:45 – 11:00
• Questions and Discussion (CPUC staff facilitated)	11:00 – 11:30
III. Proposed Regional Leadership and Proposed Regional v. Central Responsibilities	
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VII. Next Steps	



High Level Overview of Objectives and Structure of Regionalization Proposal

November 20, 2020





Current Organizational Structure

November 20, 2020





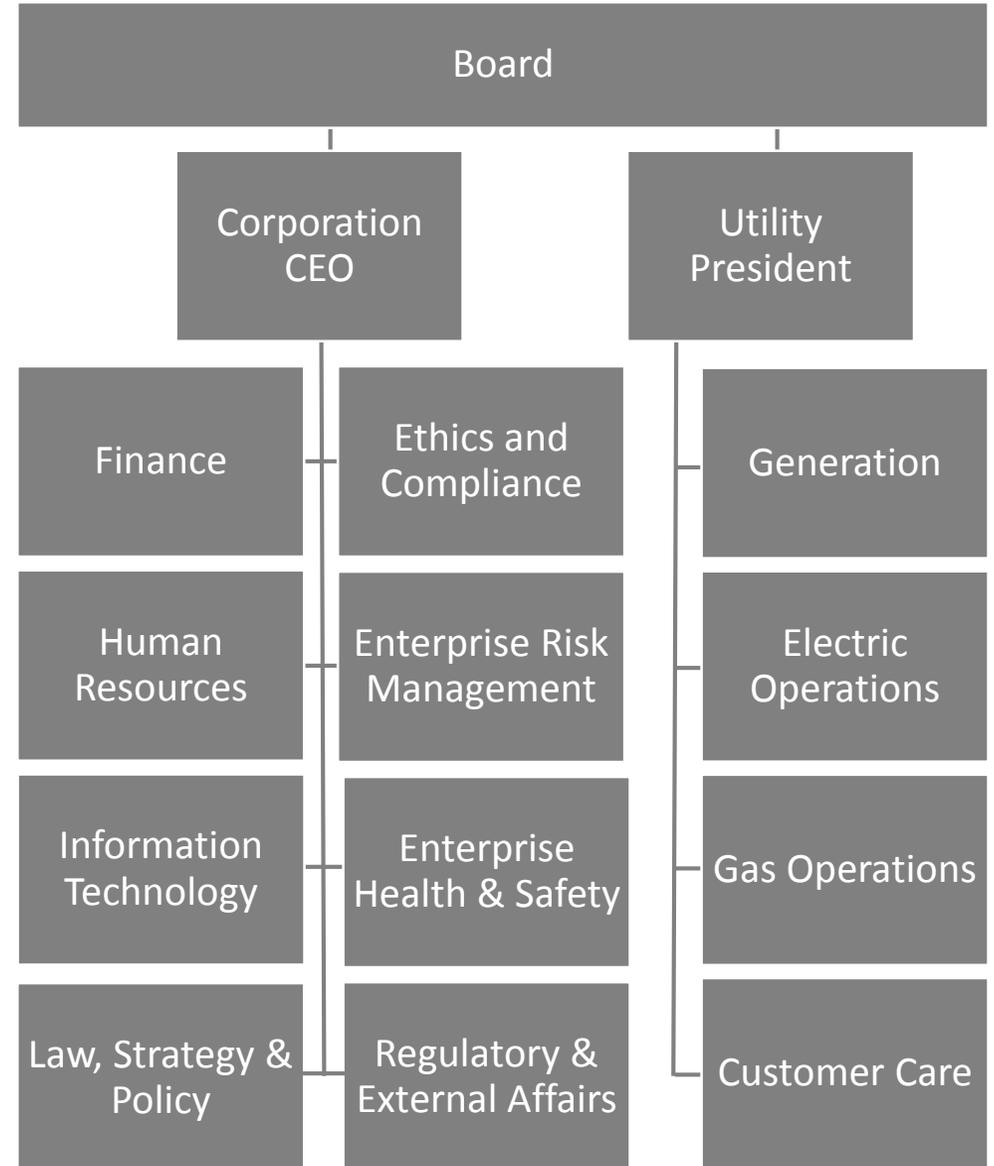
Presentation Overview

- 1. Current Organizational Structure**
- 2. Division Leadership Team Model**
- 3. Wildfire Safety Engagement Model**



Current Organizational Structure

PG&E is organized into lines of business and non-operational service organizations. Today all organizations are centrally managed.

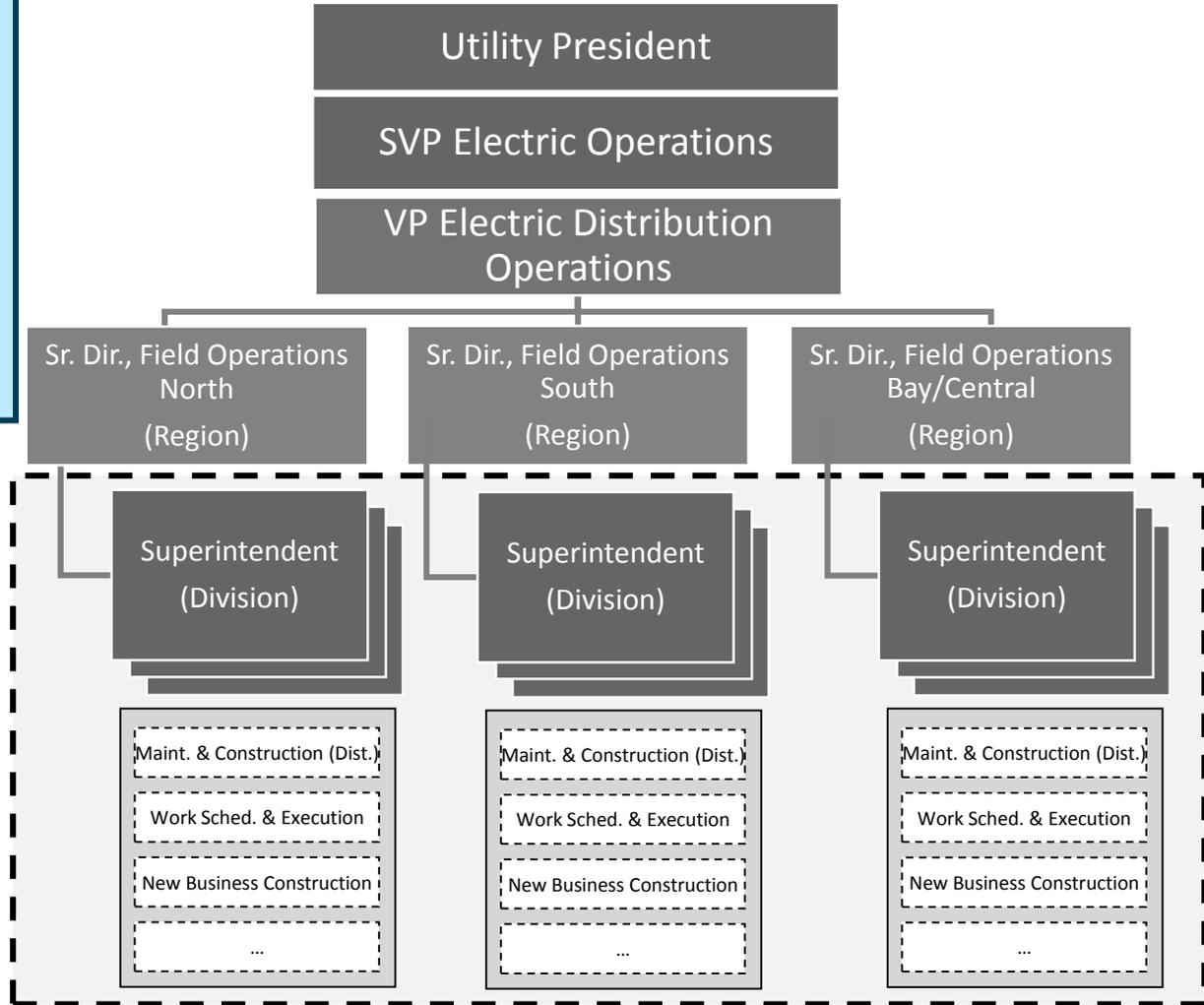




Current Organizational Structure (Cont.)

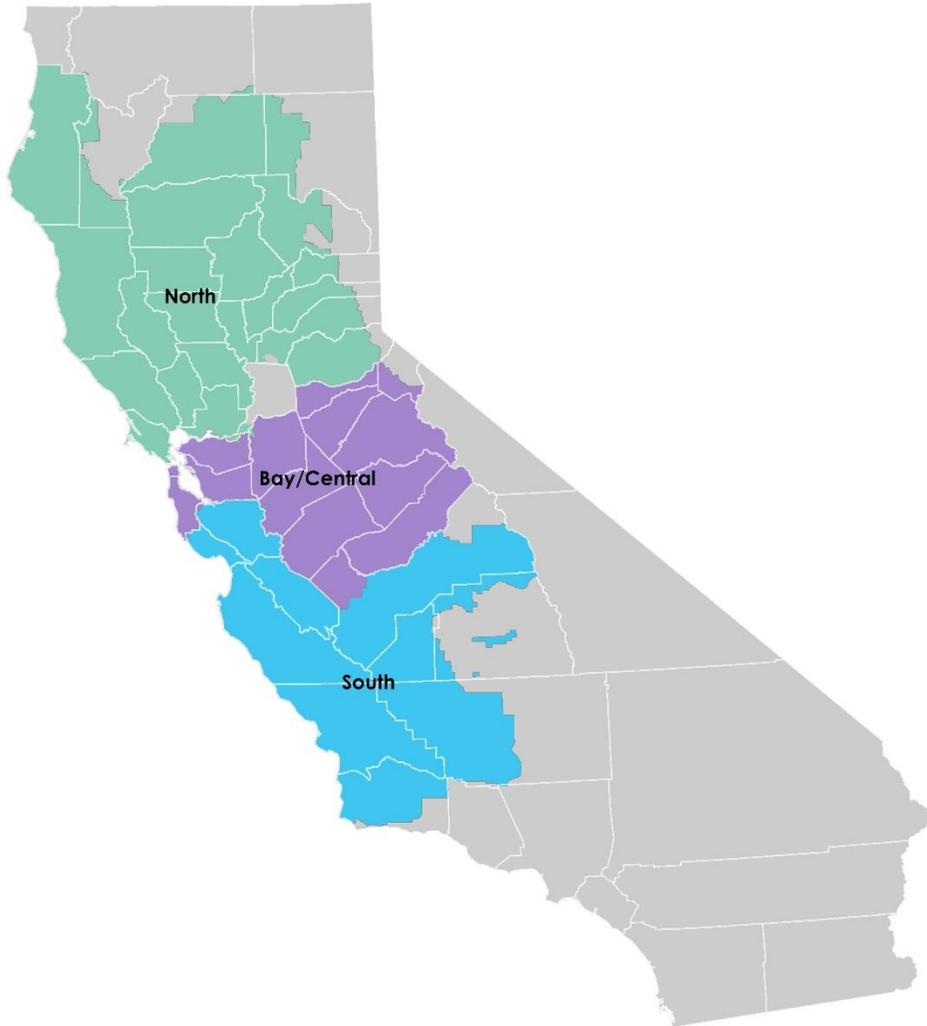
- While all organizations are managed centrally many organizations operate geographically utilizing PG&E's existing boundaries.
- PG&E's Regionalization initiative would re-organize the management structure for local work.
- PG&E's Regionalization initiative would not re-organize local operating units.

Example: Electric Distribution Operations

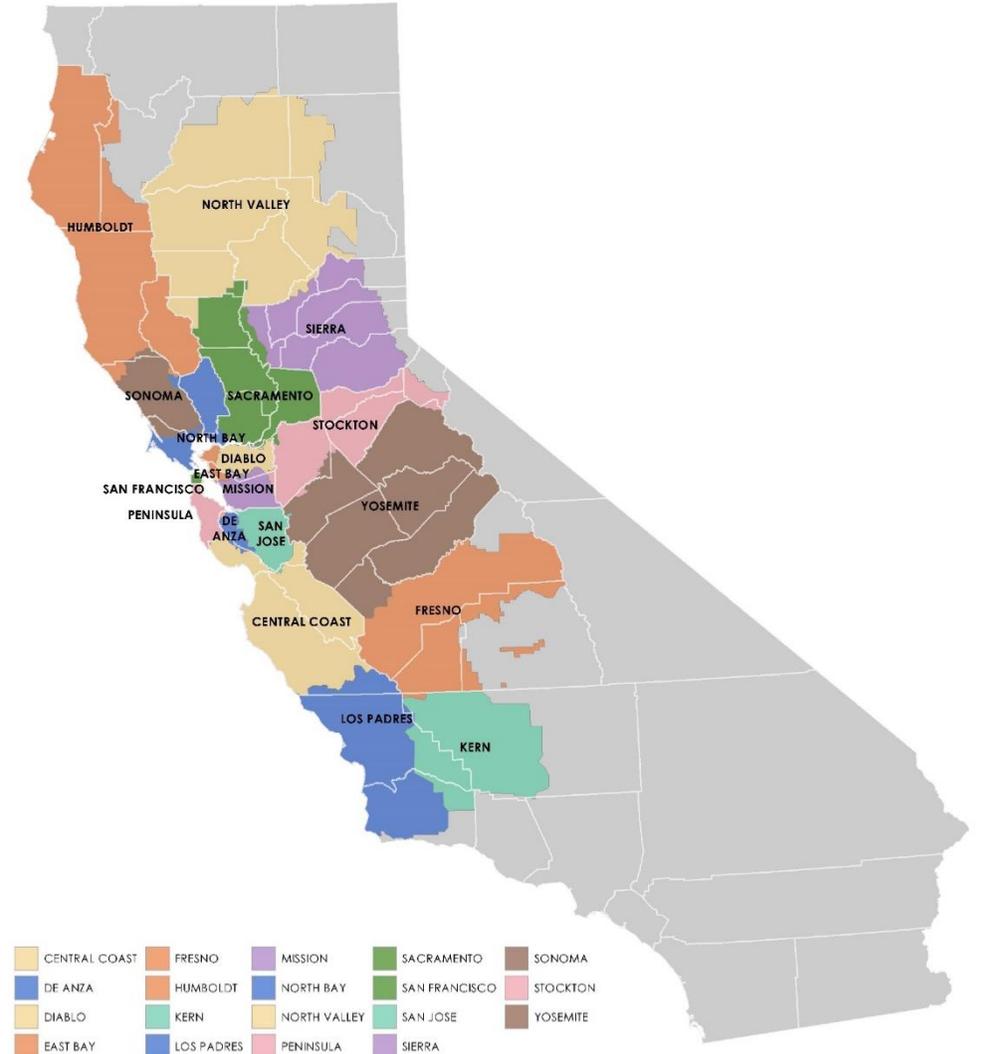


Current Organizational Structure (Cont.)

Electric Field Operations Regions

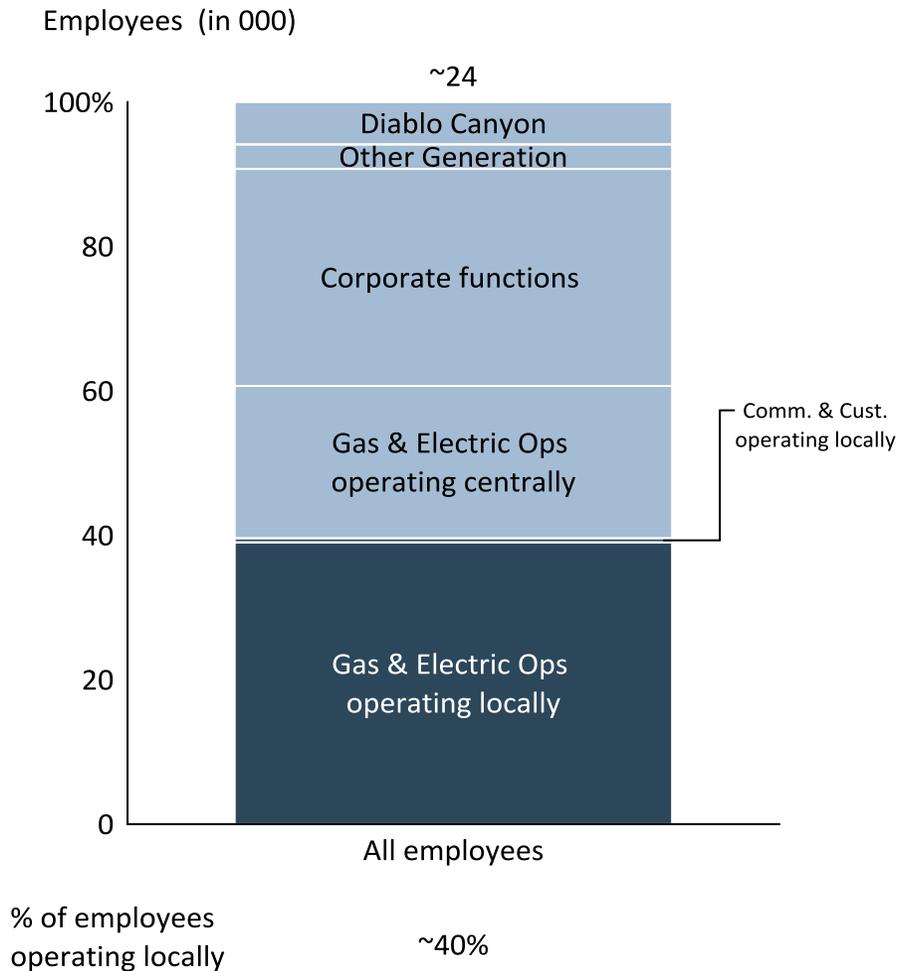


Electric Distribution Divisions

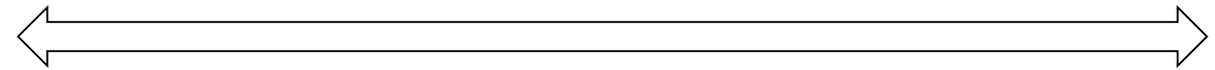




Current Organizational Structure (Cont.)



Operates centrally, reports centrally



- Billing operations
- HR
- Legal
- Finance
- Energy Policy and Procurement
- Regulatory Affairs
- Grid/System Operations
- Power generation
- Asset management

Operates locally, reports centrally

- Electric and Gas Distribution
- Electric and Gas Transmission
- General Construction
- Local estimating
- Local customer experience
- External affairs
- Work and resource mgmt
- Clerical



Division Leadership Team Model

Today PG&E addresses local issues through the Division Leadership Teams (DLT) structure. The DLT is a cross-functional team within every division working to improve safety, operations, service and partnership in our communities.

DLT Overview

- The DLTs are comprised of employees from different organizations/departments who live and work locally.
- The DLTs address cross-functional operational needs and service issues, to improve customer and community outcomes
- The DLT structure facilitates a greater understanding of unique operational needs, challenges, values, and aspirations of the local community
- The DLTs are facilitated by a Local Customer Experience Leader, a local collaborative structure that is not a formal organization within PG&E
- The DLTs meet monthly (and as necessary) to discuss the work being done in their respective divisions
- The teams address issues and facilitate cross-functional collaboration to minimize the impact of our operations to better serve our local communities

Division Leadership Team Model (Cont.)

Organization

Electric Operations

Gas Operations

Customer Care

External Affairs

Energy Supply

Other, Shared Services



Core Team

- Electric Operations Maint. & Construction
- Electric Restoration
- Service Planning & Design
- Project/Contract Management
- Vegetation Management
- Public Safety Specialists

- Gas Operations Maint. & Construction
- Gas Field Services

- Local Customer Experience

- Local Public Affairs
- Community Relations
- Media Relations / Comms

- Land, Environmental Operations
- Public Works, Permitting



Additional members

- Electric General Construction (GC)
- Field Metering
- Planned Outage
- Electric Distribution Engineering
- Electric Transmission
- Substation Maintenance

- Gas General Construction (GC)
- Gas Distribution Engineering

- Customer Operations
- Customer Experience Programs
- Contact Center Operations

- Power Generation / Hydro Ops

- Fleet Operations
- IT
- Materials
- Claims
- Corp Security
- Facilities



Wildfire Safety Engagement Model

Mission:

Created in 2019 to increase transparency, coordination and understanding of PG&E's wildfire safety efforts and Public Safety Power Shutoff Program (PSPS) with government and tribal agencies, and to integrate agency perspectives into wildfire safety projects.

Objectives:

1. **Provide county and tribal governments and agencies local detailed insight** into PG&E's wildfire and PSPS work and engage these agencies regularly to gather continuous feedback on improvement efforts
2. **Evolve Emergency Operations Center's PSPS liaison function and in-event information resources** in order to provide local agencies with essential, thorough and timely information needed to support their communities
3. **Ensure that continuous local feedback is incorporated into wildfire safety work**, focusing on customer and community impact during PSPS events and integration of local knowledge into project scoping



Wildfire Safety Engagement Model (Cont.)

Objective 1: Provide county and tribal governments and agencies local detailed insight into PG&E's wildfire and PSPS work and engage these agencies regularly to gather continuous feedback on improvement efforts

Agency and Tribal Outreach	Complete
2019 PSPS Listening Sessions	36+
Wildfire Safety Working Sessions	34
PSPS Advisory Committee Meetings	8
PSPS Planning Exercises and Workshops	6
Regional Working Groups (5 additional planned in December)	5

Objective 2: Evolve Emergency Operations Center's PSPS liaison function and in-event information resources in order to provide local agencies with essential, thorough and timely information to support their communities

- **PSPS Portal Trainings** (15 complete)
- **SEMS Trainings** (443 staff members completed training)
- **PSPS Policies and Procedures** developed in partnership with county and tribal OES with detailed information and planning tools for emergency managers
- **PSPS Agency Portal improvements** including a live, interactive map, circuit-level maps and access to critical facilities and Medical Baseline Program customer lists
- **County and Tribal OES coordination** to improve Community Resource Center locations, expand resources and develop COVID-19 contingencies
- **Quarterly Community Wildfire Safety Program progress updates** provided to County offices of emergency services, tribal agencies, local government officials and customers



Wildfire Safety Engagement Model (Cont.)

Objective 3: Ensure that continuous local feedback is incorporated into wildfire safety work, focusing on customer and community impact during PSPS events and integration of local knowledge into project scoping

- **Participated and facilitated 375+ meetings and wildfire safety events** to share information and gather feedback from cities, counties, safety agencies and other local stakeholders
- **Completed 29 targeted PSPS mitigation projects**, which resulted in nine integrated solutions, as part of the 2020 PSPS season preparation
- **Mitigated PSPS impact to 2,185 customers** to date. **Six integrated solutions were leveraged** during the most recent PSPS event (10/25/2020).
- **Partnering with local community stakeholders** to begin planning PSPS mitigation projects, including hardening, sectionalizing, and other initiatives, as part of PG&E's 2021 wildfire safety work

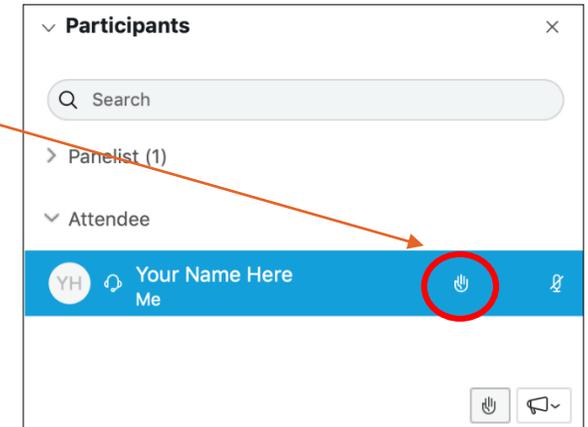
Questions & Discussion

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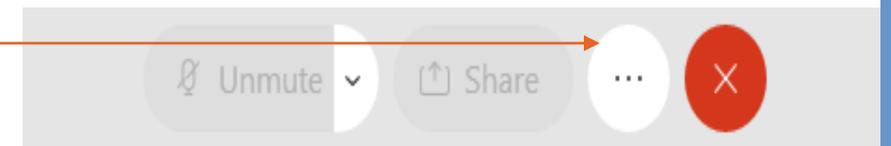


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Regional Leaders and Organization

November 20, 2020





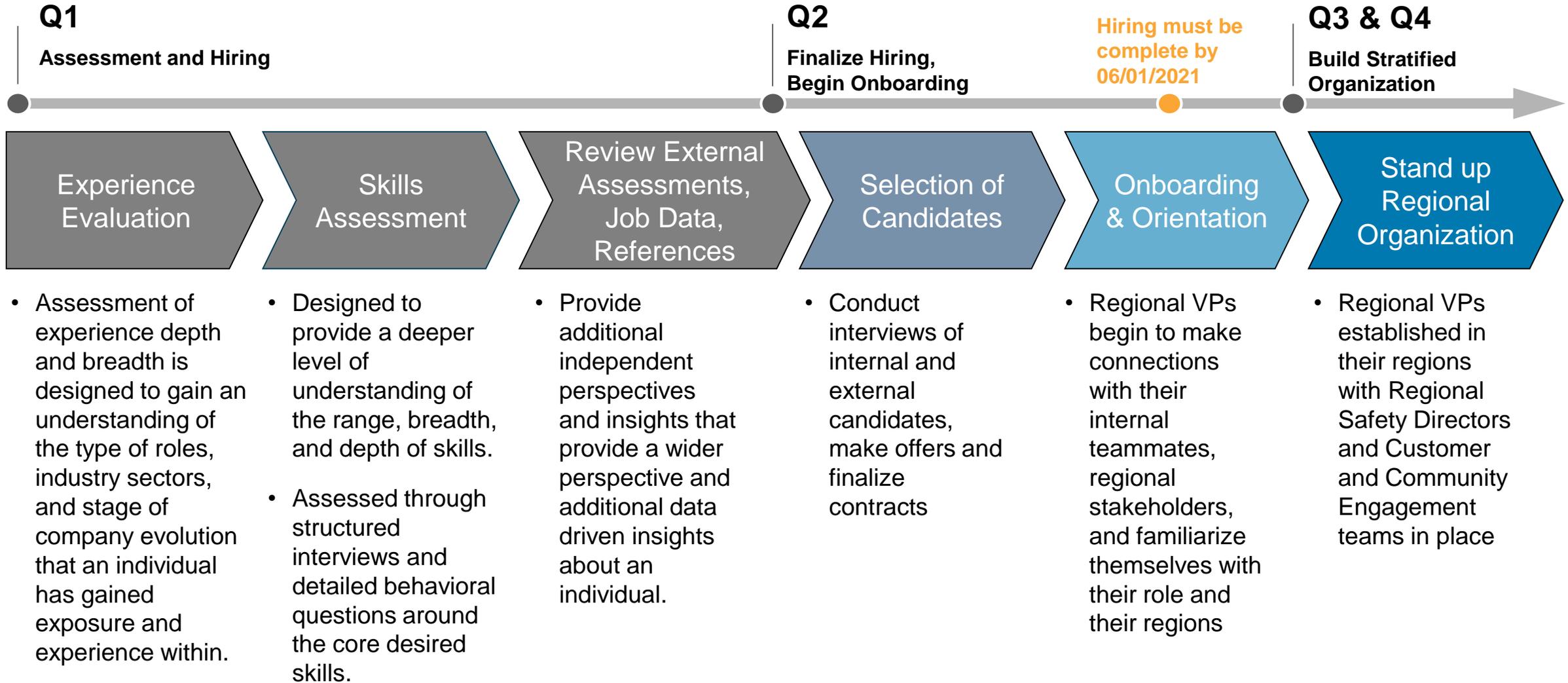
Presentation Overview

- 1. PG&E's Recruitment Strategy**
- 2. Regional Vice President and Safety Director Roles**
- 3. Regional Organization**



Summary of Changes

	Present State	Future state
Local Leadership	<ul style="list-style-type: none">• PG&E is represented by many local customer, community and operational leaders at or below the director level	<ul style="list-style-type: none">• Addition of 5 Regional Vice Presidents. Regional Vice President (VP) is an officer who will be based locally and report to the Utility President• Addition of 5 Regional Safety Directors. The Regional Safety Director will be based locally and report to the Chief Safety Officer
Local Structure	<ul style="list-style-type: none">• Local customer, community and operational employees are based locally and managed centrally	<ul style="list-style-type: none">• Local teams, responsible for managing critical programs impacting communities and customers (similar to the current Wildfire Safety and Public Engagement team) will report directly to the Regional VPs in 2021• Other local operational and community functions will have a dotted line relationship to the Regional VP and report to their current central functional leaders• Local operational functions can be transitioned to the Regional VPs after the core process improvement work is finished (likely 2022+)





Regional Vice President and Regional Safety Director

Regional Vice President

- Reporting: Reports to the Utility President
- Role: Accountable for enhancing customer and community engagement, partnering with local operations and with other PG&E leaders, with matrixed accountability for regional operations
- Responsibilities: Responsible for enhancing customer and community engagement, influencing customer experience, and safety and reliability of regional operations, will have matrixed responsibility for gas and electric distribution, maintenance and construction, restoration, etc.
- Qualifications: Safety leadership, strategic planning and leadership, compliance and risk management, resource management, local community experience, customer experience and public affairs
- Search: Diversified Search Partners will lead the search for the Region VPs

Regional Safety Director

- Reporting: Reports to the Chief Safety Officer
- Role: Support the Regional Vice President and the overall regional team. Independent safety oversight at the regional level
- Responsibilities: Monitor and improve safety performance, implement and apply safety best practices, and reduce operational incidents. Be a visible presence in the field and work directly with the workforce
- Qualifications: experience in enterprise safety, safety management systems, and implementation and oversight of utility operations
- Search: PG&E will engage a qualified and diverse search firm to locate a diverse pool of external and internal candidates



Regionalization Scoring Criteria

To help determine which functions would benefit from being part of a regional organization, each function was scored across five criteria. Functions scoring higher were more likely to benefit from regional reporting.

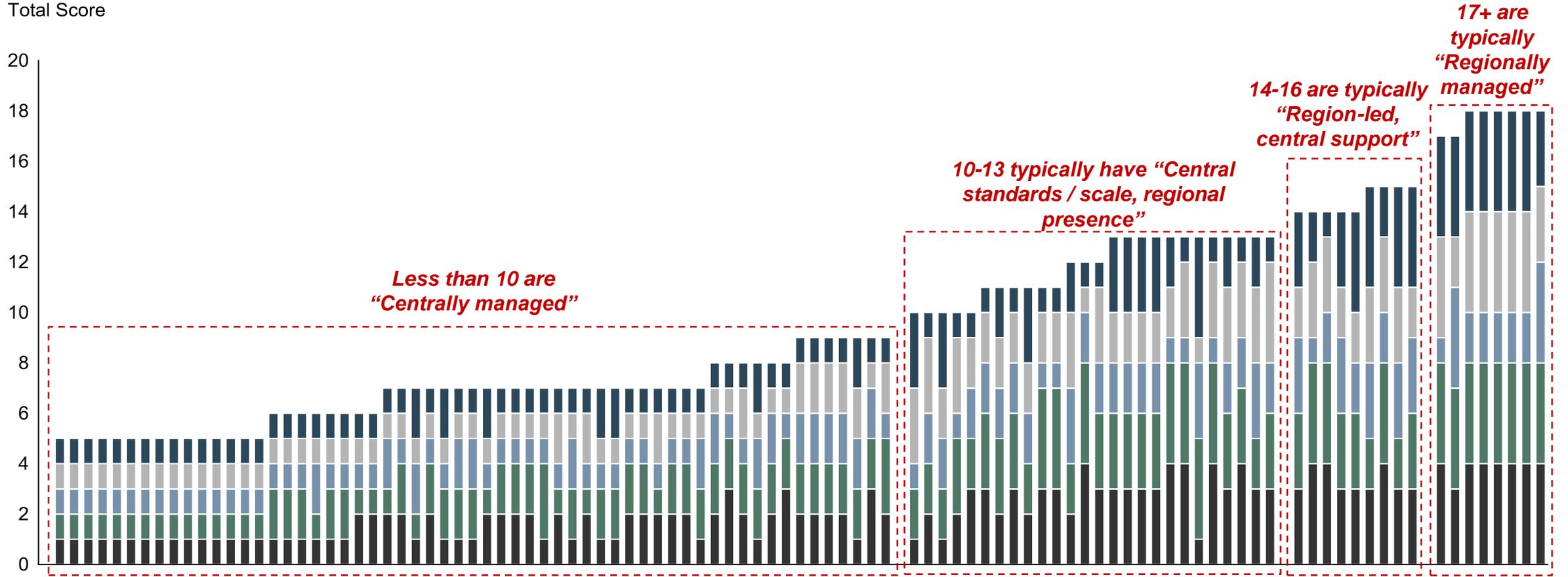
Example of functional scoring

	1 point	2 points	3 points	4 points	Dist. Work scheduling	Billing operations
Work requires in person local interaction	<i>Rarely if at all</i>	<i>Occasionally</i>	<i>Frequently</i>	<i>Daily</i>	3	1
Decision making speed and quality requires on-the-ground insights	<i>Rarely</i>	<i>Occasionally</i>	<i>Frequently</i>	<i>Daily</i>	3	1
Localization allowed or needed	<i>Limited to none</i>	<i>Occasionally</i>	<i>Frequently</i>	<i>Almost always</i>	3	1
Cost or expertise benefits from centralizing	<i>Significant benefits</i>	<i>Moderate benefits</i>	<i>Modest benefits</i>	<i>Limited benefits</i>	2	1
Regional management is impactful in driving successful outcomes	<i>No impact</i>	<i>Low impact</i>	<i>Some impact</i>	<i>High impact</i>	4	1

Total = 15
(Reports regionally)

Total = 5
(Reports centrally)

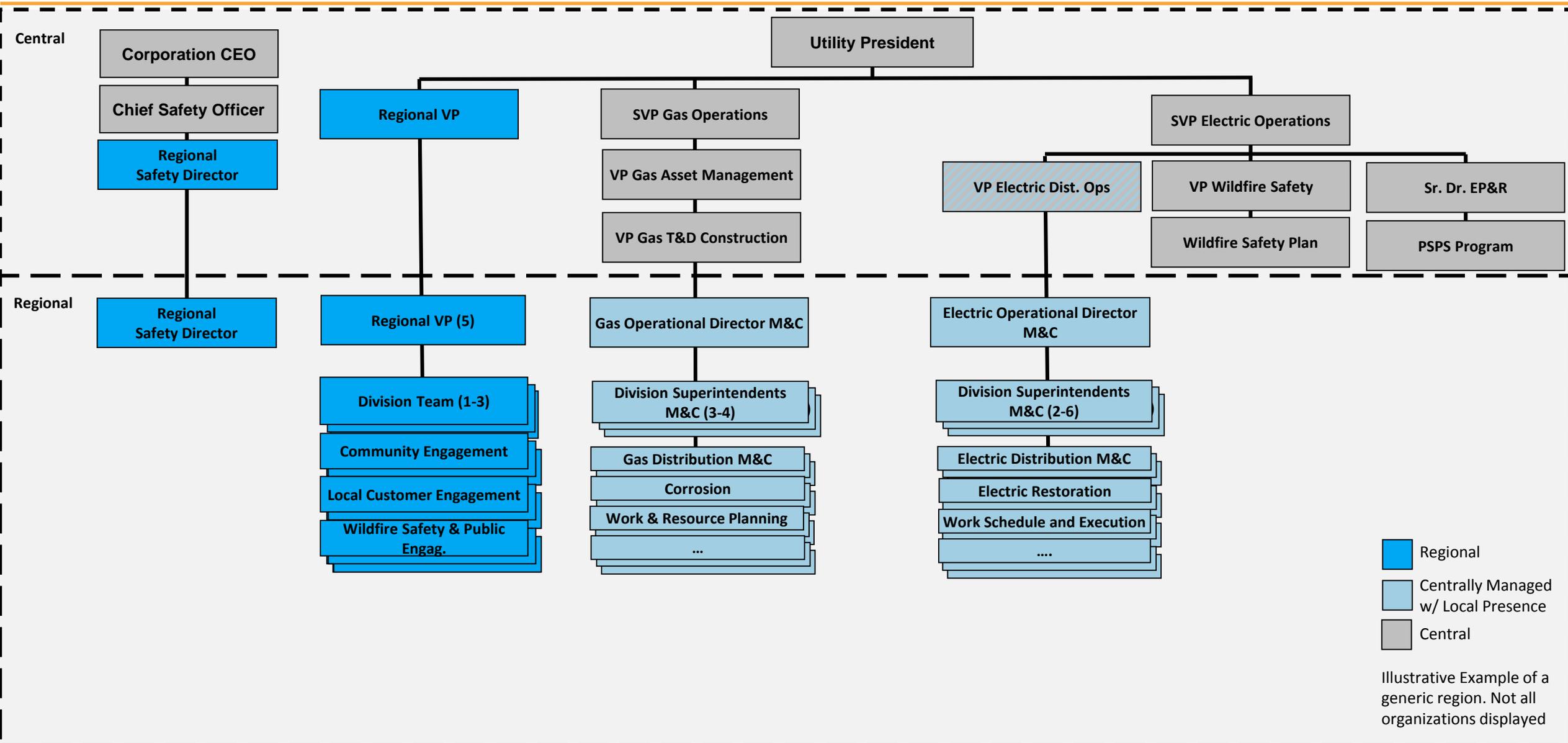
Functional Scoring Analysis



- Work requires in person local interaction
- Decision making speed and quality requires real time on-the-ground insights
- Localization allowed or needed
- Limited cost or expertise benefits from centralizing
- Reporting to the region is impactful in driving successful outcomes

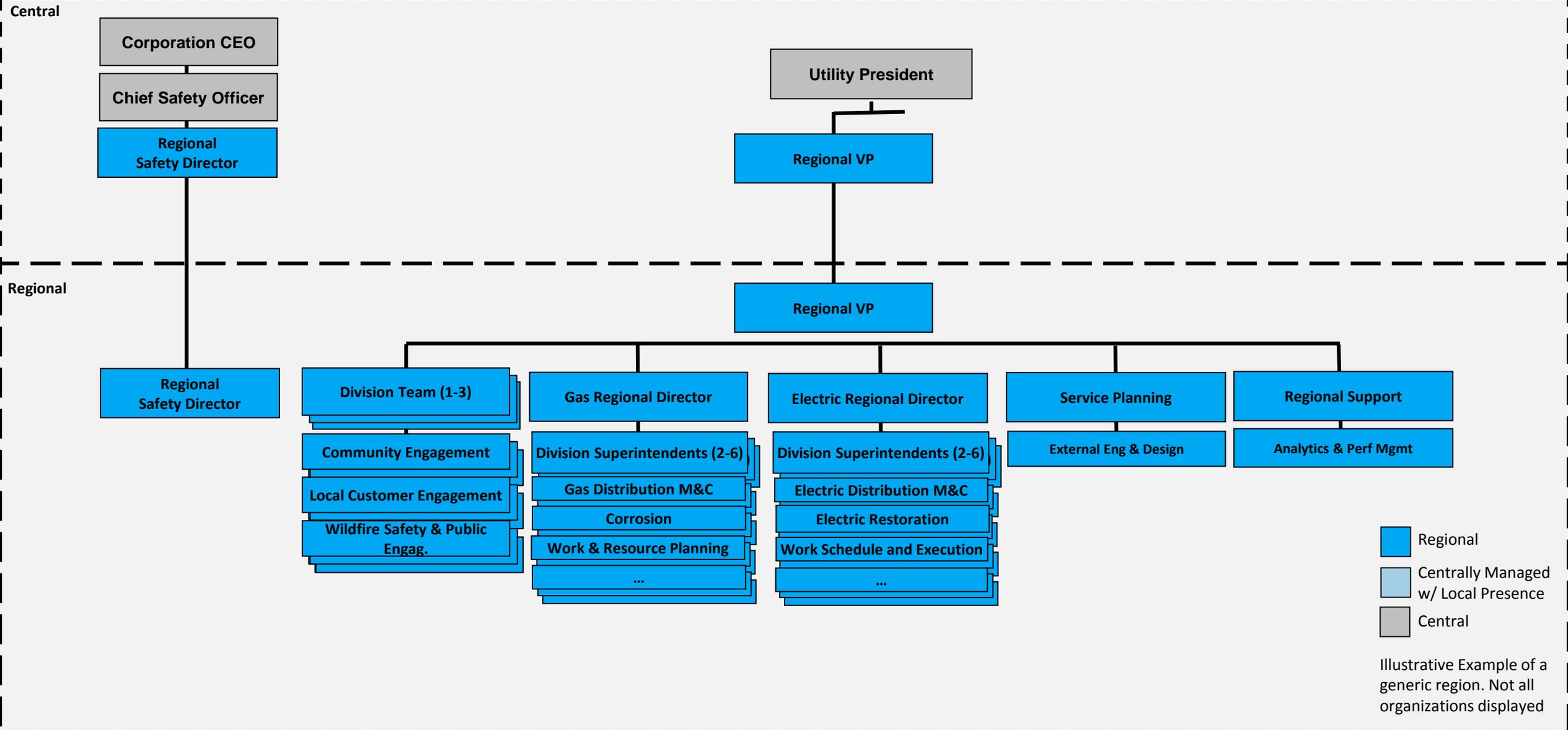


Regional Organization Matrixed Structure (2021) (Example Region)





Conceptual Regional Structure (>2022) (Example Region)





Summary of Benefits

	Key Benefits
Local Leadership	<ul style="list-style-type: none">• Improved responsiveness to local customer and community issues from having a local executive embedded in each Region, with greater authority to resolve issues and ability to escalate major issues directly to the utility President• Improved communication with local communities, community-based- organization partners and customers to understand overall geographic needs and issues from a Region VP that is embedded in the local community• Increased support for local workforce safety from a Regional Safety Director
Local Structure	<ul style="list-style-type: none">• Increased responsiveness to address customer and community issues via a local executive who is a single point of contact, with decision making authority and the direct line to the utility President to resolve major issues quickly• Strengthened relationships with the local communities and customers so PG&E can better anticipate their needs and understand their issues• Improved two-way communication between local communities and the company through a dedicated local team• Increased the ability to tailor activities and investments based on the unique needs of the region, based on local knowledge and local input• Improved execution and delivery from greater internal alignment from consistent regional boundaries and organizational structure

Feedback received

Additional information / Response

1 Better explain rationale for changes on central vs. regional alignment

- 1.1 *"An explanation of why PG&E decided to regionalize or keep centralized each department, function, and budget category, including an explanation of how each decision is consistent with the Commission's regionalization goals (Marin Clean Energy)*
- 1.2 *"Vegetation management would remain a centralized function, which is not well explained" (SBUA)*
- 1.3 *"Present a detailed accounting of which infrastructure development, deployment and maintenance programs will remain centralized, which will move to the proposed regional offices, and which will be terminated or absorbed by other programs. (CalAdvocates)*
- 1.4 *"A list of the functions is also not included in the Application and should be requested" (SBUA)*
- 1.5 *"It is not clear from PG&E's initial proposal which aspects of CCA engagement will be regional and which will remain centralized" (Marin clean energy)*

1.1 Included in this document is a description of the scoring methodology we used to determine the benefits of centralization or regionalization for individual functions – we are happy to discuss the functions in further detail today if there are specific questions

1.2 Vegetation management benefits from being a central program for a number of reasons. Vegetation management is planned centrally to prioritize the highest risk work across PG&E's service area. There are system-wide standards and compliance requirements which need the standardization that comes with central management. We also need the ability to manage system wide resources and deploy them across regions, and these decisions are more quickly and easily made via a central function. Since the work is performed by contract resources, central management also facilitates comprehensive vendor management.

1.3 We are not terminating or combining any capital or maintenance programs as a result of Regionalization. The Regional team will include the programs executed by our Gas and Electric Distribution teams. Transmission, Substation, and General Construction resources will remain part of the central team and so the programs completed by these groups will remain centralized

1.4 We can provide a list of functions included in the analysis on Page 6 in this presentation

1.5 Most functions that interact with the CCAs, including CCA relations, billing and energy procurement and supply will remain centralized. The regional VP can be an additional point of contact for the local CCA leadership.

2 Better explain the roles of new leaders

- 2.1 *"Identification of the regional actions, decisions, and functions that will require approval of the Regional Safety Director" (Marin Clean Energy)*
- 2.2 *"PG&E should be required to provide additional specific information regarding the scope of issues PG&E plans to coordinate on with local governments and agencies" (South San Joaquin Irrigation District (SSJID))*

2.1 The Regional Safety Director's detailed responsibilities and decision rights are still being developed, but will include things like decisions for how to tailor company wide safety programs to the region, decisions on unique safety needs of the region.

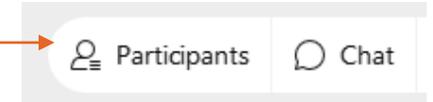
2.2 The types of issues where we are focused on enhancing our coordination with local agencies include wildfire planning and response, PSPS communication and coordination, resiliency planning, construction planning, permitting, community programs, among others.

Feedback received	Description / Rationale for Change
<p>3 Better explain how the regional organizations would operate</p> <p>3.1 <i>“The Application needs to be supplemented to provide current and proposed organizational charts and rough estimates staffing changes for each area”</i> (SBUA)</p> <p>3.2 <i>“Lacks an explanation on how the Regionalization Proposal would impact response and coordination with local governments during emergencies like a de-energization event and any actions that PG&E would undertake to minimize those impacts”</i> (City of San Jose)</p> <p>3.3 <i>“Claims regional leadership and customer teams will be better able to focus on low income, hard-to-reach and disadvantaged customers, but it does not explain how”</i> (City of San Jose)</p> <p>3.4 <i>“Design Standards – will these be developed and applied uniformly across the region? If so, we are concerned about distribution outages and reliability given the issues we had over the summer with the distribution pole transformer failures during the heat waves. Will infrastructure installed in San Jose be designed to withstand the 100+ deg days that we often experience in San Jose, but it is not common in coastal regions?”</i> (San Jose Clean Energy)</p> <p>3.5 <i>“Response time – Where will crews that service San Jose respond from? Will local crews still reside in San Jose or will they drive from the central coast? How will this impact response and restoration times?”</i> (San Jose Clean Energy)</p> <p>3.6 <i>“Replacement Equipment – Where will this be stored? What are the response time impacts?”</i> (San Jose Clean Energy)</p>	<p>3.1 These are included in today’s presentation and will be included in the January update.</p> <p>3.2 In our January filing we can describe in more detail the improved coordination with county agencies given our new county-driven boundaries, our enhanced PSPS communication and coordination from the regional teams and the process to gather local input on resiliency investments</p> <p>3.3 The new regional leadership and focused Customer and Community team will be able to enhance our responsiveness and service to all customers, including an increased focus on community and customer programs that support low income and disadvantaged customers</p> <p>3.4 The company uses design standards that are tailored to different climate zones we serve and that will continue in the future.</p> <p>3.5 Crews will be dispatched in the same way from the same locations and so restoration and response times should not be impacted</p> <p>3.6 Materials will continue to be stored in the same locations they are today and so material availability and response times should not be impacted</p>
<p>4 Better explain the broader implications (including costs) of the changes</p> <p>4.1 <i>“The business cases laying out the benefits of regionalization in terms of reliability, safety, and improved customer communication should be provided for each business function that will be transitioned”</i> (CalAdvocates)</p> <p>4.2 <i>“How many employee terminations and/or hires are anticipated? How much of the work under the Regionalization Proposal will be outsourced compared to the current corporate protocol or configuration?”</i> (CalAdvocates)</p> <p>4.3 <i>“We rely on PG&E for data, equipment locations, costs and don’t want the efficiency of that work disrupted. Need to be able to map/crosswalk costs under prior structure to costs under new structure.”</i> (Energy Division)</p> <p>4.4 <i>“How to separate regionalization memo account costs from the forecast for 2023 GRC? What specific costs will be booked into the memo account and how to ensure they are incremental?”</i> (Energy Division)</p>	<p>4.1 While a quantitative business case is difficult to calculate, we can articulate the expected qualitative benefits in our January filing</p> <p>4.2 In 2021, there will be some targeted hiring of the regional leadership and the regional team. Some of these positions will be filled by current employees, but we expect a small number of outside hires will be required (<25) We do not anticipate any terminations as a result of regionalization. We do not anticipate any shifts in the amount of work that is outsourced.</p> <p>4.3 We are still scoping the IT changes needed to support regionalization but it is our goal to be able to show a historical trend on these metrics even as the regional structure changes</p> <p>4.4 Costs that will be incurred and are not forecast in our next GRC can be included in the memo account.</p>

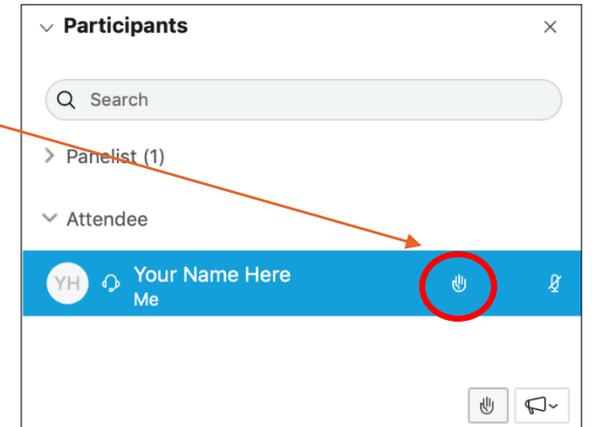
Questions & Discussion

WebEx Tip

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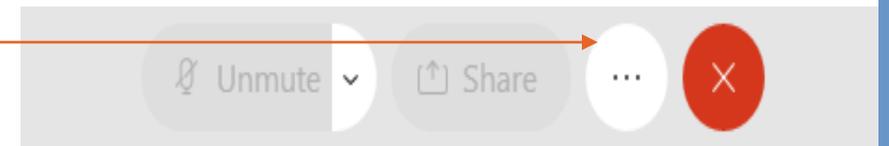


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LUNCH

We will resume at 1:30PM.

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VII. Next Steps	



Regional Boundaries

November 20, 2020





Presentation Overview

- 1. Existing PG&E Geographic Boundaries**
- 2. Objectives and Design Principles of Regional Boundaries**
- 3. Proposed Regional Boundaries**
- 4. Stakeholder Feedback**
- 5. Next Steps for Boundaries Development**

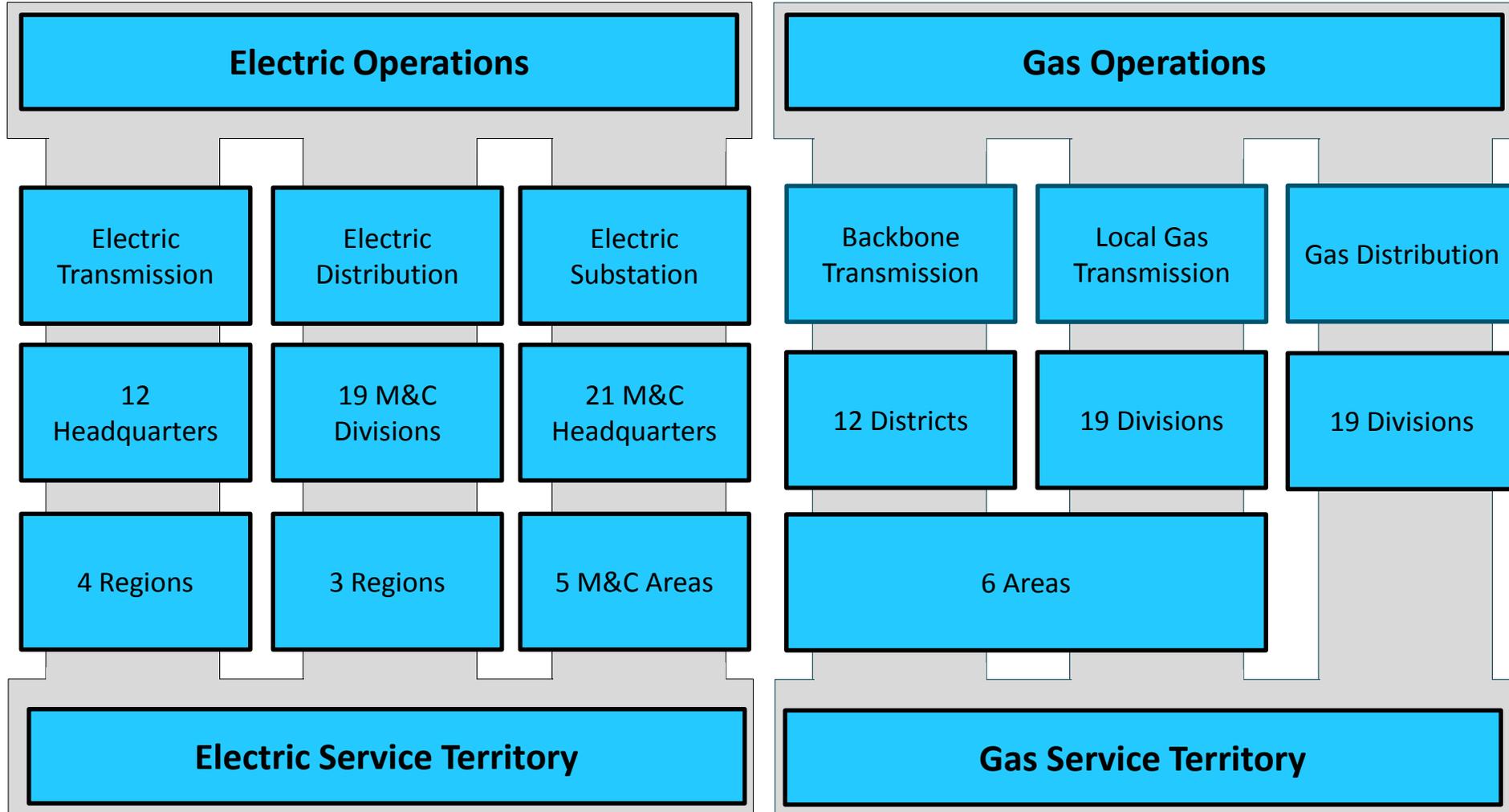


Summary of Changes

PG&E will establish five regions that align with county boundaries to improve coordination with local governments and other agencies. These proposed boundaries will bring together adjacent counties with similar customer, geographical, weather, and operational characteristics.

	Present State	Future state
County boundaries	<ul style="list-style-type: none">Counties are often bisected by PG&E’s Division and Regional boundaries	<ul style="list-style-type: none">Counties will be wholly contained within a single Region
Divisional boundaries	<ul style="list-style-type: none">Divisions exist as subunits of current RegionsGas and Electric Distribution operations have Divisional boundaries that are generally aligned, but there are a few differences in the way their boundaries are drawn	<ul style="list-style-type: none">Division boundaries will continue to be used to define smaller sub-units of each RegionGas and Electric Divisions will be wholly contained within a Region
Regional boundaries	<ul style="list-style-type: none">Gas and Electric distribution operations follow different regional boundaries – 3 Regions in Electric, 6 Areas in GasRegional boundaries are constructed to create a reasonable scope or responsibility for operational leaders and to reflect the assets of the company	<ul style="list-style-type: none">Gas and Electric Distribution will have the same 5 Regional boundariesRegions will be constructed to create a reasonable scope of responsibility for Regional VPs and to reflect company assets, customer and service territory characteristics

Existing Operational Boundaries



Electric and Gas Distribution Divisions and Regions

Electric Distribution Divisions and Regions



- | | | | | |
|---------------|------------|--------------|---------------|----------|
| CENTRAL COAST | FRESNO | MISSION | SACRAMENTO | SONOMA |
| DE ANZA | HUMBOLDT | NORTH BAY | SAN FRANCISCO | STOCKTON |
| DIABLO | KERN | NORTH VALLEY | SAN JOSE | YOSEMITE |
| EAST BAY | LOS PADRES | PENINSULA | SIERRA | |

Gas Distribution Divisions and Regions





Objectives and Design Principles

Primary Drivers for Proposed Regional Boundaries

1. County Boundaries

- Ensure Regional Boundaries align with county boundaries, so that we can better coordinate with local governments and other agencies, including in emergency response.

2. Geographic Contiguity

- To the extent possible, boundaries were defined to bring together adjacent counties with similar customer and operational characteristics, creating regions that each have unique profiles.

3. Customer Commonality

- PG&E analyzed 23 census variables such as population, energy usage, language spoken at home, etc. and customer billing data to determine characteristics of customers in each region.
- Identifying counties with similar customer attributes and needs could help regional leadership to focus on key issues for these customers and obtain a deeper understanding of all customer requirements and demographics served within their region.

Objectives and Design Principles (Cont.)

Additional Considerations for Refining Proposed Boundaries

- **Region Size**
 - Balance regional size and drive times (e.g., square mile coverage and drive times, freeway coverage, office and service center distribution/locations, employee distribution) allow for quicker customer response, leadership presence locally, and efficient sharing and movement of frontline resources
- **Operations and Scope of Work**
 - Boundaries were modified to ensure no single region was too large in terms of customer density, scale of wildfire mitigation work, volume of work requested by customers, or concentration of high consequence natural gas pipelines
- **Fire Suppression Coordination**
 - Per POR OII decision, align boundaries for regions with CalFire Units to the extent possible, though there are a few exceptions
- **Additional Considerations and Employee Feedback**
 - In addition to frontline managers and other employee feedback, additional data points were evaluated, including historical PSPS activations, number of tribal nations, community choice aggregators (CCAs) service boundaries, congressional districts, and regional organizations

Proposed Regions



Overview of Regions

	Region 1 North Coast	Region 2 Sierra	Region 3 Bay Area	Region 4 Central Coast	Region 5 Central Valley
Service Area Square Miles	17,177	17,228	2,510	11,761	23,710
Population per Square Mile	167	50	1,915	276	128
# of Existing Service Centers	25	20	17	16	22
Maximum Drive Time Estimate within the Region (Hours)	~5-5.5	~4-4.5	~1.5-2	~3.5-5	~4-4.5



Feedback on Boundaries

Suggested Change	Description / Comment
1 Move Marin County from Bay Area Region to North Coast Region	Marin County believes its power is fed through Sonoma County, but the two counties are not in the same proposed region.
2 Move Sacramento from North Coast into Sierra Region	The Sacramento Area does not appear to have much in common with the North Coast counties in terms of demographics, political views, and community.
3 Move Glenn, Colusa, and Yolo from North Coast into Sierra Region	There is desire to keep the Sacramento Area Council of Governments in one region.
4 Move Santa Clara from Central Coast to Bay Area	Santa Clara is more similar to Bay Area counties in terms of culture and demography.
5 Split Bay Area into East and West Regions	East Bay suburban communities should be considered different from urban San Francisco and Oakland.

In addition to the suggestions above, PG&E will continue to collect feedback from internal and external stakeholders on the proposed regional boundaries.



Summary of Benefits

	Key Benefits
County alignment	<ul style="list-style-type: none">• Improved coordination with government agencies and other partners (including CalFire)• Improved communication (speed and clarity) between local stakeholders and a single executive point of contact at PG&E• Increased consistency of local permitting rules and ordinances for PG&E's local ops groups to follow
Divisional boundaries	<ul style="list-style-type: none">• Preserves continuity with historical performance metrics to show trends in performance
Regional boundaries	<ul style="list-style-type: none">• Common customer profiles and customer needs within each Region help create knowledge and experience serving specific customer segments• Common operational priorities and work types within each region create repetition and increase expertise in the work being completed• Regions constructed so that geographic coverage and travel routes are feasible for leaders and crews• More, smaller Regions in Electric help create greater local focus and responsiveness by VP leadership



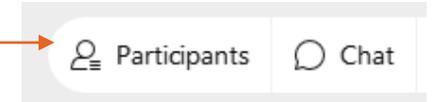
Next Steps for Boundaries Development

- **Collect and synthesize additional feedback from external and internal stakeholders**
- **Consider potential revisions to regional boundaries based on feedback, additional analyses, and internal discussions**
- **Align internal divisional boundaries with regional boundaries**
- **Address regional boundaries in January update.**

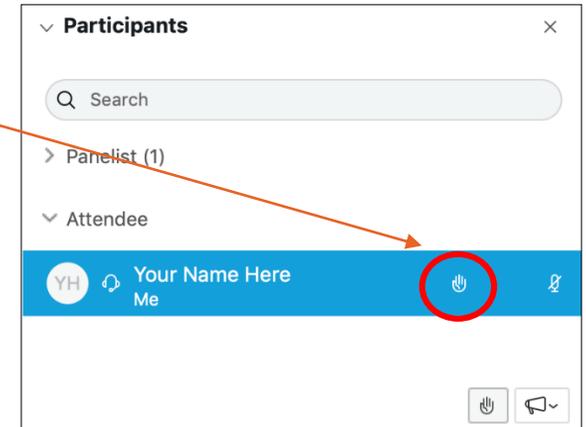
Questions & Discussion

WebEx Tip

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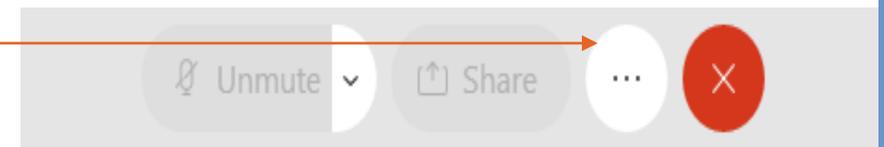


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Regional Operations

November 20, 2020





PG&E Implementation Timeline

2020		2021				2022				2023				2024+	
3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter

Regionalization



- | | | | |
|---|---|---|---|
| <ul style="list-style-type: none"> • Detailed org, operating model design • Finalize regional boundaries • Cutover and implementation planning | <ul style="list-style-type: none"> • Interview, select and appoint Region VPs and Region Safety Directors • Stand up regional Customer and Community Engagement teams reporting to the Region VP • Establish matrixed relationship with local operations teams | <ul style="list-style-type: none"> • Collaborate with core process improvement teams, especially Work Management and Customer Experience • Assess regional operating model, adjust as needed to further improve the local customer and community experience | <ul style="list-style-type: none"> • When core process improvements are complete and new systems and processes are stabilized, review and refine regional organization and operating model |
|---|---|---|---|

Core Process Improvement



- | | | |
|--|--|--|
| <ul style="list-style-type: none"> • Diagnose core process issues in work mgmt, asset mgmt, cust service • Develop roadmap for process and systems improvement | <ul style="list-style-type: none"> • Core process redesign and implementation across work management, asset management and customer service • New IT systems and tools implementation to support and reinforce process changes • Develop instrumentation for visibility to operational performance • Changes to roles and responsibilities; training for employees | <ul style="list-style-type: none"> • Stabilize and sustain new core process and tools • Use new instrumentation to measure and continuously improve core process and customer delivery |
|--|--|--|

Core Process Improvement

Program Management Office (PMO)	Create and maintain an integrated workplan/roadmap and produce project management deliverables. Coordinate stakeholder, workstream and employee communication/change management strategies for core workstreams. Ensure alignment across core workstreams and enabler workstreams, identify potential unintended consequences.
Asset Management	Standardizing asset management across the business; includes pursuing ISO-55001 recertification in Gas and new certification in Electric, Power Generation and IT to improve asset performance and achieve more effective risk reduction for our asset investments.
Work Management	Creating an end-to-end work management processes and framework that can be applied consistently across Electric, Gas and Power Generation to ensure work is designed effectively and executed safely, on time and on budget.
Customer Experience	Transforming how we deliver an end-to-end customer experience through digital solutions and streamlining processes; with an initial focus on improving customer experiences with PSPS, Planned Outages, Estimated Time of Restoration and Service Planning.



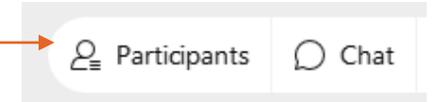
Updates to June 30 Proposal

	Updates on January 14
Existing Organization	<ul style="list-style-type: none">• We will add organizational charts and functional detail to describe the current organization, including which functions currently operate locally• We will include additional detail on the inputs and data used to determine which functions should be regionally managed
Regional Boundaries	<ul style="list-style-type: none">• We may update regional boundaries based on feedback from internal and external parties. The revised regions would continue to adhere to county boundaries, but group counties to improve crew mobility, asset continuity, and customer commonality
Regional Leader	<ul style="list-style-type: none">• We will add detail on the hiring process, criteria and timeline for the Regional VPs and Regional Safety Directors• We will update the scope of responsibility for the Regional VPs in 2021 to include Customer and Community engagement, with matrixed relationship to local gas and electric operations and the Regional Safety Director
Regional Organization	<ul style="list-style-type: none">• We will have Electric Restoration, Gas Field Services and Service Planning organizations from the proposed Customer Field Operations group remain under their current organizations under Electric and Gas M&C
Other	<ul style="list-style-type: none">• We will include the planned timeline for PG&E's core process improvement work and the coordination between those initiatives and regionalization

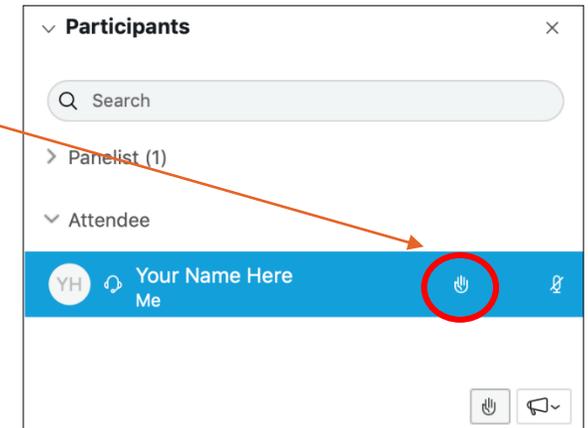
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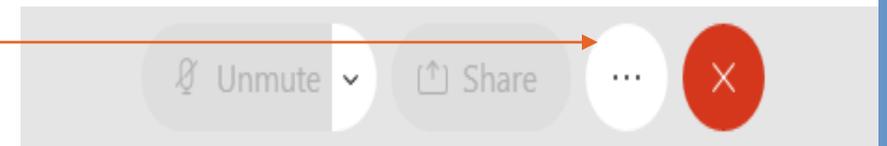


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Next Steps

- Per scoping ruling for A.20-06-011, comments in response to this workshop and PG&E's initial filed proposal due December 16, 2020.
- Commission may request response to specific issues or questions.
 - If that is direction, expect a ruling from ACO/ALJ in the next week or so.
- Per scoping ruling for A.20-06-011, PG&E to file and serve updated proposal by January 14, 2021.
- Per scoping ruling for A.20-06-011, workshop on updated proposal the week of January 25, 2021.