



August 30, 2023

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Subject: Comments of the Public Advocates Office on the Safety Policy Division's Draft Staff Proposal for Corrective Actions Stemming from the RCA of the 2017 and 2018 Wildfires

Dear Director Bout:

The Public Advocates Office (Cal Advocates) at the California Public Utilities Commission (Commission) submits the following comments on the *Draft Staff Proposal for Corrective Actions Stemming from the RCA of the 2017 and 2018 Wildfires Associated with PG&E Equipment*. We urge the Commission to adopt the recommendations discussed herein.

Sincerely,

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**COMMENTS OF THE PUBLIC ADVOCATES OFFICE ON THE SAFETY
POLICY DIVISION'S DRAFT STAFF PROPOSAL FOR CORRECTIVE
ACTIONS STEMMING FROM THE RCA OF THE 2017 AND 2018 WILDFIRES
ASSOCIATED WITH PG&E EQUIPMENT**

AUGUST 30, 2023

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I. INTRODUCTION

Decision (D.) 20-05-019 ordered Pacific Gas and Electric Company (PG&E) shareholders to enter into a contract with an independent consultant to conduct a Root Cause Analysis (RCA) on a select set of seventeen wildfires in 2017 and 2018 (2017/2018 Wildfires) that were reportable incidents to the California Public Utilities Commission (Commission). The California Department of Forestry and Fire Protection (CAL FIRE) had determined that these wildfires involved PG&E facilities.¹ As required by the decision, the independent consultant shall work under the direction of the Commission, and the Commission shall review and approve the terms of the work prior to PG&E's entering into a contract with the independent consultant.² Following a selection process, the Commission selected Envista Forensics (Envista) as the independent consultant. Envista conducted the RCA for the wildfires and produced a single RCA Report that included analyses for all seventeen wildfires.³

As directed by the Commission, PG&E served the RCA Report on July 6, 2022, and PG&E provided a response to the report on August 4, 2022. A workshop was held on December 5, 2022 (RCA Workshop) to discuss the RCA Report's findings, PG&E's response, and a Commission Staff Proposal for potential corrective actions. On July 31, 2023, the Commission's Safety Policy Division (SPD) served a *Draft Staff Proposal for Corrective Actions Stemming from the RCA of the 2017 and 2018 Wildfires Associated with PG&E Equipment* (Draft Staff Proposal). Before issuing an SPD proposal for a draft resolution, SPD requested comments from stakeholders on the Draft Staff Proposal.

¹ D.20-05-019, *Decision Approving Proposed Settlement Agreement with Modifications*, Attachment A, Exhibit C, Section B.7: "Independent Root Cause Analysis". The Envista RCA Report states that CAL FIRE and the CPUC determined that 16 of the 17 wildfires were ignited by PG&E facilities electricity system equipment.

² Ibid.

³ *Root Cause Analyses of the 2017-18 Wildfires found to have been ignited by PG&E & Corrective Action Report*, Envista Forensics, Inc. & Subcontractor Witt O'Brien's, July 2022 (RCA Report) available at: https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/safety-policy-division/reports/root-cause-analyses-of-the-2017-18-wildfires_070622.pdf

The Public Advocates Office at the California Public Utilities Commission (Cal Advocates) appreciates this opportunity to provide input on the Draft Staff Proposal, and recommends the following revisions:

- 1) The Draft Staff Proposal should be modified to specify an oversight process to ensure expedited and complete implementation of all corrective actions.
- 2) The Draft Staff Proposal should be modified to specify an oversight process to evaluate, audit, and ensure effective and expedited implementation of SPD's additional corrective actions.
- 3) The Draft Staff Proposal should be modified to revise how funds not spent on the RCA discovery will be expended.
- 4) The Draft Staff Proposal should be modified to include a process to place PG&E in Step 1 of the Enhanced Oversight Process.
- 5) The Draft Staff Proposal should be modified to recommend a rulemaking to address the RCA Report's proposed General Order modifications.
- 6) SPD should investigate PG&E's asset-maintenance issues.

II. RECOMMENDATIONS

A. The Draft Staff Proposal should be modified to specify an oversight process to ensure expedited and complete implementation of all corrective actions.

Currently, the draft proposal requires only that PG&E provide documentation to the Director of SPD and the service list of I.19-06-015.⁴ Given the scope and breadth of PG&E's failure, additional oversight beyond mere documentation is warranted.

Accordingly, the Draft Staff Proposal should include a process to evaluate, audit, and ensure effective, expedited implementation of all corrective actions.

As stated in the Draft Staff Proposal, the purpose of the RCA—whose details are set forth in the settlement agreement adopted in D.20-05-019—is to “analyze the factors that contributed to the ignition of the fires” and make recommendations to “mitigate the risk of similarly caused fires in the future.” The RCA Report states that PG&E's failure

⁴ Draft Staff Proposal at 9.

to implement its own risk-reduction procedures contributed to the frequency and intensity of the wildfires caused by PG&E’s system.⁵

The Draft Staff Proposal should recognize SPD’s authority to exercise oversight over the implementation of all corrective actions, and the Draft Staff Proposal should allocate D.20-05-019 funding to that oversight process. The Draft Staff Proposal should also specify that SPD staff must have access to Envista in order to do the following: (1) evaluate PG&E’s responses to the Envista RCA Report, (2) more readily and quickly assess remaining problems, and (3) investigate, audit, and evaluate PG&E’s actual implementation of all corrective actions.

The Draft Staff Proposal identifies primary areas of disagreement—regarding the RCA’s recommendations—between PG&E and Envista, which disagreements include:⁶ ⁷

- The qualifications for PG&E senior management overseeing vegetation management work (#6);
- Specifics of Envista’s vegetation management recommendations regarding quality control and quality assurance (#9);
- Envista’s recommendations on conversion of contracting strategies (#10); and
- Emergency Response/Incident Command System operations (#13).

The Draft Staff Proposal should authorize SPD to exercise oversight over the corrective actions that PG&E purportedly agrees with Envista on, and it should also provide funding so that SPD can consult with Envista to investigate and evaluate any disagreements Envista has with PG&E about the RCA’s recommendations. This change is necessary to ensure that all necessary RCA corrective actions are effectively implemented to prevent similar wildfires.

⁵ RCA Report at 88.

“While PG&E has procedures that dictate how and what activities are necessary to design, maintain, and reduce risk, it is apparent that the lack of implementation of the requirements contributed to the frequency and intensity of the wildfires caused by their electrical system components.”

⁶ Draft Staff Proposal at 5.

⁷ Draft Staff Proposal, Appendix, Table 4, beginning at 20.

B. The Draft Staff Proposal should be modified to specify an oversight process to evaluate, audit, and ensure effective and expedited implementation of SPD’s additional corrective actions.

The Draft Staff Proposal includes additional specific corrective actions that were initially proposed by PG&E, in addition to those recommended by Envista:

- Corrective Action 1: Assess In-service Condition of Bare Conductors & Replace Deteriorated Bare Conductors
- Corrective Action 2: Install Gang Operated Protective Devices - Upgrade PG&E Distribution Hardware.
- Corrective Action 3: Deploy Early Fault Detection on 60 – 70 kV Transmission Lines
- Corrective Action 4: Supplement SEI-20 [System Enhancement Initiative-20] Project

Cal Advocates agrees with the addition of these corrective actions. However, SPD should revise the Draft Staff Proposal to specify that SPD will oversee implementation of all corrective actions, including these additional specific corrective actions. Any SPD review should include an evaluation of all corrective actions plans including timelines, SPD’s acceptance or modifications to those plans, and audits and evaluation of the progress and completion of implementation. If necessary, SPD should engage additional expertise to audit these additional corrective actions.

Regarding Corrective Action 4: Supplement SEI-20 Project, Cal Advocates recommends a greater allocation of funding. At the RCA Workshop, Commission staff proposed to increase the scope of System Enhancement Initiative 20 (SEI-20) to evaluate PG&E’s three-wire infrastructure.⁸ However, the Draft Staff Proposal, while proposing to increase the budget allocated for SEI-20, does not propose an expansion in scope for SEI-20 consistent with the discussion at the RCA Workshop.²

⁸ CPUC December 5, 2022 Workshop Presentation “Root Cause Analysis Workshop on PG&E 2017-2018 Wildfires”, slide 19. Available at https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/safety-policy-division/meeting-documents/cpuc-rca-workshop-slides_120522v3.pdf

² Draft Staff Proposal at 17-18.

SEI-20 is relevant to the PG&E circuit protection failures identified in the RCA Report. PG&E's circuit protection system has been the subject of criticism dating back to at least 2013. A Liberty Consulting Group study (Liberty Consulting Report) in 2013 identified that PG&E's system left over one third of all downed wires energized.¹⁰ In reporting PG&E's rate of wires down that remained energized, Liberty stated that it (Liberty):

[C]onsiders the percentage of downed energized conductors to be high. Benchmarking data is not readily available in the industry, but we have experience with some other utilities. We know of several major utility systems (23 kV) where downed energized conductors are estimated to be fractions of one percent.¹¹

Cal Advocates supports increasing the funding and expanding the scope of SEI-20 to evaluate PG&E's three-wire infrastructure. Specifically, SEI-20 should incorporate a comprehensive comparison of three-wire and four-wire systems sufficient to assess the expected circuit-level performance and ignition risk of each configuration. This comparison should include an analysis of the potential mitigations available to each configuration as well as the costs, including the costs associated with converting a circuit from three-wire to four-wire.

A review of the three-wire and four-wire configurations should be within SEI-20's original scope of "the grounding methods and circuit and transformer configuration in PG&E's distribution system and transmission system."¹² The Draft Staff Proposal should make this review explicit, given the centrality of Envista's finding that the "fundamental design of the overall PG&E electric system permits undetected ground-faulted overhead conductors to remain energized in contrast to industry best practice."¹³ This is

¹⁰ Liberty Consulting Group "Study of Risk Assessment and PG&E's GRC" dated May 6, 2013 at 141. Available at <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M065/K394/65394210.PDF>

¹¹ Liberty Consulting Group "Study of Risk Assessment and PG&E's GRC" dated May 6, 2013 at 141.

¹² D.20-05-019, Attachment A, Exhibit C, Section B.20.

¹³ RCA Report, Finding #11: 3-Wire System at 113.

underscored by the number of times that concerns regarding the risks, adequacy, and costs of converting the three-wire configuration were raised throughout the RCA Workshop.¹⁴

C. The Draft Staff Proposal should be modified to revise how funds not spent on the RCA discovery will be expended.

D.20-05-019 specified that “If the RCAs are conducted for less than \$17 million, any remaining funds shall be used to implement corrective actions stemming from the RCAs.”¹⁵

The Draft Staff Proposal should be revised to explicitly state that SPD shall retain oversight over implementation of the corrective actions and to apply funds not yet expended, up to the specified \$17 million. In other words, RCA funds that were not directly spent in the first part of the RCA in discovery, analysis, and report, should next be applied to resolving RCA corrective actions in which PGE reports it will not implement recommended corrective actions from the RCA Report, and overseeing RCA corrective actions.^{16 17} This will allow SPD to assess implementation and allow them to engage experts as appropriate.

D. The Draft Staff Proposal should be modified to include a process to place PG&E in Step 1 of the Enhanced Oversight Process.

The RCA Report states that PG&E restricted Envista’s access to information needed to conduct the RCA. This means that the RCA is incomplete and should continue. A proper RCA cannot be properly performed without access to the necessary

¹⁴ Recording of RCA Workshop on December 5, 2022, at approximately [51:20](#), [1:15:50](#), [2:00:15](#), [2:39:25](#), [2:49:45](#), [2:55:05](#), and [3:00:30](#).

¹⁵ D.20-05-019, Ordering Paragraph 1. (d).

¹⁶ Draft Staff Proposal at 5.

¹⁷ For example, PG&E disagrees with Envista’s finding 13 that PG&E has not fully implemented an Incident Command System and PG&E does not propose any intended corrective actions to address this finding. Envista has not provided a response to PG&E’s disagreement to Finding 13.

and relevant information. Envista identified instances wherein PG&E failed to provide access to staff or information:¹⁸

- Envista stated: “No one with direct experience in the PG&E’s wildfire circuit analysis was provided for interview by PG&E.”
- Envista stated: “Requested PGE’s analyses of circuitry involved in the fires, without success.”
- Envista quoted PG&E: “PG&E is not presently in possession of all information necessary to demonstrate whether all devices operated as intended.”

The RCA Report also reported other areas where PG&E did not fully cooperate with the RCA. Envista states:

- In some cases, PG&E provided no written response to a specific RCA Team request. Outstanding data requests were discussed during weekly calls with PG&E, but no formal written response for these items was provided to the RCA Team stating that the information was not available or that PG&E would not respond to those specific requests.¹⁹
- The response did not identify specific sections or statements in that paper and did not answer the question.²⁰
- Throughout the course of the project, the RCA Team requested any internal reports from PG&E that analyze their equipment involved in the ignition of the wildfires.²¹

Given the failure of PG&E to fully cooperate with Envista, the Draft Staff Proposal should be modified to include a process to place PG&E into Enhanced Oversight and Enforcement Step 1. The root cause analysis conducted by Envista was the seventh item undertaken to improve safety as part of PG&E's exit from bankruptcy.²²

¹⁸ Envista December 5, 2022 Workshop Presentation at Slides 5 & 14. Available at https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/safety-policy-division/meeting-documents/envista-cpuc-workshop-presentation-final-draft_120522.pdf

¹⁹ RCA Report, Appendix F “Documents and Data Requests” at F-1.

²⁰ RCA Report, Appendix F “Documents and Data Requests” at F-2.

²¹ PG&E responded that such reports did not exist. However, PG&E is required to provide an Incident Report to the CPUC after all significant incidents. Cal Advocates requested and received such reports, but the documents provided do not include a detailed analysis of the equipment involved.

²² RCA Report at 2.

How PG&E chose to respond to Envista raises the issue as to if PG&E has materially complied directives issued by the Commission associated with PG&E's exit for bankruptcy. A Step 1 triggering event iv includes "PG&E [or PGE& Corporation] fails in any material respect to comply with the Commission's requirements and conditions for approval of its emergency from bankruptcy." SPD would be the Commission staff tasked with overseeing PG&E's compliance with the Corrective Action Plan should PG&E be placed into Step 1 of the Enhanced Oversight and Enforcement Process.²³

E. The Draft Staff Proposal should be modified to recommend a rulemaking to address the RCA Report's proposed General Order modifications.

As a result of the Root Cause Analysis, Envista recommended specific updates and modifications to General Orders. The Draft Staff Proposal does not address these but indicates there are ongoing efforts to address such modifications, including ongoing efforts in R.18-04-019 and the GO 95 Rules Committee.²⁴

The RCA Report identifies root causes of the 2017/2018 wildfires that have not been previously identified or corrected under the Commission's current general order oversight framework. RCA Report General Order recommendations are requisite to prevent similarly caused wildfires in the future. Such improvements would benefit all utilities.

Cal Advocates recommends that the Draft Staff Proposal and subsequent resolution, specify that the Commission shall address the RCA Report General Order recommendations. Given the impact of the 2017/2018 wildfires on the public, Cal Advocates recommends that the Draft Staff Proposal include a resolution to open a rulemaking dedicated to General Order updates and revisions.

²³ D.20-05-053 Appendix A, Step 1, B(iii) states "Commission staff will monitor PG&E's compliance with its Corrective Action Plan based on, among other things, existing or enhanced reporting."

²⁴ Draft Staff Proposal at 9.

F. SPD should investigate PG&E’s asset-maintenance issues (Finding 12).

Envista found that PG&E’s corrective-maintenance backlog was significant in both duration and number, which contributed to degraded system conditions.²⁵ Envista recommended that PG&E implement a comprehensive program that includes the proper balance of preventive, predictive, and corrective maintenance.²⁶

1. SPD should monitor PG&E’s large backlog of corrective maintenance work orders.

In response to Envista’s recommendations, PG&E provided a list of corrective actions completed since 2018.²⁷ PG&E stated that it has provided details about its strategy to reduce its maintenance backlog to Energy Safety in its Wildfire Mitigation Plan (WMP).²⁸ SPD does not propose any further corrective actions related to the asset-maintenance backlog, stating only that maintenance backlogs are being addressed in WMPs.²⁹

WMPs are submitted to and reviewed by the Office of Energy Infrastructure Safety (Energy Safety) and are not subject to independent approval by the CPUC.³⁰ While Energy Safety has repeatedly identified PG&E’s large backlog of overdue maintenance as a critical issue in its WMPs, it has yet to impose any explicit requirements on the WMP process related to the Envista’s RCA report.³¹ There is no guarantee that Envista’s findings will be addressed through the WMP process, nor any

²⁵ Draft Staff Proposal, Table 3 at 22.

²⁶ Draft Staff Proposal, Table 3 at 22.

²⁷ Draft Staff Proposal, Table 4 at 24-26.

²⁸ Draft Staff Proposal, Table 4 at 26.

²⁹ Draft Staff Proposal, Table 6 at 31.

³⁰ Public Utilities Code section 8386.3 states that the Wildfire Safety Division (which transitioned to become the Office of Energy Infrastructure Safety in 2021, pursuant to Assembly Bill 111) shall approve or deny each WMP, and that the Commission shall only “ratify the action of the division.”

³¹ See, e.g., *2023-2025 Wildfire Mitigation Plan Technical Guidelines*, December 6, 2022; *Final Decision on 2022 Wildfire Mitigation Plan Update Pacific Gas And Electric Company*, November 10, 2022.

guarantee that Energy Safety will require PG&E to reasonably implement Envista’s recommendations with regard to its maintenance backlog. Further, PG&E’s maintenance backlog results from PG&E’s repeated failure to comply with Commission General Orders,³² which falls within the Commission’s jurisdiction, not Energy Safety’s.

It is not appropriate for SPD to rely on the WMP process to address PG&E’s large maintenance backlog. SPD should modify the Draft Staff Proposal to require PG&E to provide the following:

- A full description of its plan to address its maintenance backlog,
- A full description of a corrective action to prevent future compliance failures that could lead to a future expansion of PG&E’s maintenance backlog,
- Annual reporting on PG&E’s maintenance backlog,
- Annual updates on PG&E’s progress in implementing corrective actions to prevent recurrence of a large maintenance backlog.

2. SPD should verify that PG&E has implemented Envista’s recommended improvements to its maintenance programs.

In response to Envista’s recommendation that PG&E implement a comprehensive maintenance program,³³ PG&E states that it has provided a comprehensive description of its current asset-management program to Energy Safety in its WMP.³⁴ The Draft Staff Proposal does not impose any additional corrective actions.³⁵ This lack of any additional corrective action suggests that SPD has found PG&E’s stated actions reasonably address the issue raised by Envista. But such a finding by SPD would be in error.³⁶

³² General Order 95, Rule 18.

³³ Draft Staff Proposal, Table 3 at 22.

³⁴ Draft Staff Proposal, Table 4 at 25.

³⁵ Draft Staff Proposal, Table 6 at 31 does not list any corrective actions related to PG&E’s asset management program.

³⁶ “Finally, for several Envista findings and recommendations, PG&E has indicated that it has implemented corrective actions since 2018 that have addressed such findings and recommendations. For these findings, SPD finds that PG&E’s stated claims of corrective actions already taken **reasonably address** the issues raised by Envista, pending verification.” Draft Staff Proposal, Table 6 at 31 (emphasis added).

While the WMP process touches on many of the issues raised in Envista’s report, no party has shown that it would be either lawful or appropriate for SPD to delegate remediation of Envista’s findings and recommendations to Energy Safety, an agency that has no responsibility or stated intent to hold PG&E to the findings in Envista’s RCA report. At a minimum, SPD should independently verify that PG&E has made a good faith effort to incorporate Envista’s recommendations regarding its asset maintenance program.³⁷

In reviewing PG&E’s most recent WMP, Cal Advocates identified numerous issues with PG&E’s asset-inspection programs,³⁸ and Energy Safety found deficiencies in PG&E’s asset-inspection quality assurance and quality control.³⁹ The number and severity of issues that Energy Safety identified raises questions as to whether PG&E’s current asset-management program reasonably addresses Envista’s recommendation of including “the proper balance of the various approaches to maintenance, including preventive, predictive, and corrective.”⁴⁰

To ensure that PG&E has reasonably addressed Envista’s recommendations, SPD should independently review and assess PG&E’s asset maintenance programs as part of its obligation to evaluate PG&E’s implementation of the RCA findings.⁴¹ As part of this independent review, SPD should facilitate an audit of PG&E’s asset management

³⁷ “PG&E will make a good faith effort to initiate incorporation of the lessons learned within 12 months after the RCA final report is delivered to PG&E.” Decision 20-05-019, Attachment A, Exhibit C, Section B.7.

³⁸ *Comments of the Public Advocates Office on the 2023 to 2025 Wildfire Mitigation Plans of the Large Investor-Owned Utilities*, May 26, 2023 at 23-31.

³⁹ *Office of Energy Infrastructure Safety Issuance of Revision Notice for Pacific Gas and Electric Company’s 2023-2025 Wildfire Mitigation Plan*, June 22, 2023 at 5-7 and 10-14.

⁴⁰ Draft Staff Proposal, Table 3 at 22.

⁴¹ “PG&E will make a good faith effort to initiate incorporation of the lessons learned within 12 months after the RCA final report is delivered to PG&E.” Decision 20-05-019, Attachment A, Exhibit C, Section B.7.

programs to ensure that these programs meet Envista’s recommendations for a comprehensive asset maintenance program.⁴²

III. CONCLUSION

Cal Advocates urges the Commission to adopt the recommendations discussed herein. For any questions relating to these comments, please contact Nathaniel Skinner (Nathaniel.Skinner@cpuc.ca.gov) or Christopher Parkes (Christopher.Parkes@cpuc.ca.gov).

⁴² Cal Advocates made a similar recommendation to Energy Safety. SPD should consider coordinating with Energy Safety to perform or facilitate an audit of PG&E’s asset management programs. *See Comments of the Public Advocates Office on the 2023 to 2025 Wildfire Mitigation Plans of the Large Investor-Owned Utilities*, May 26, 2023 at 23-31.