

July 13, 2020

VIA E-MAIL
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Caroline Thomas Jacobs, Director
Wildfire Safety Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Subject: Pacific Gas and Electric Company's Submission on Mitigation Measures that are Part of a Combined Program and Cannot be Disaggregated

Dear Ms. Jacobs:

Pacific Gas and Electric Company (PG&E) submits the attached list in response to the direction provided by the Wildfire Safety Division (WSD) on page 39 of Resolution WSD-002 that "electrical corporations shall, by July 13, 2020, furnish a list of all mitigation measures that are part of a combined program that they claim they cannot disaggregate." PG&E looks forward to further engagement with the WSD, utilities and other stakeholders on this subject.

The 2020 WMP templates provided by the WSD on December 16, 2019 required the utilities provide details on 86 initiatives within 10 categories in their 2020 WMPs submitted on February 7th. Utilities were also given the flexibility to add initiatives where a utility's wildfire mitigation activities did not fit into one of the 86 WSD-defined initiatives. As PG&E identified in discussions with the WSD before the 2020 WMP submission date, in our 2020 WMP and in our comments on the Draft Resolutions, the utilities simply do not have identical initiatives nor are the utilities' initiatives separately implemented and tracked as defined by the templates provided by the WSD. Therefore, in response to the direction provided in WSD-002, the attached list provides information on the population of WSD-defined initiatives that PG&E does not track uniquely and separately such that all of the information requested in the 2020 WMP templates may not be available.

Rather than repeat the discussion provided in previous filings, including PG&E's comments on the draft resolutions, PG&E here outlines the path forward from this point. The conditions set forth in the approved resolutions (WSD-002 and WSD-003 specific to PG&E) require the utilities to break out our wildfire mitigation activities and programs by initiatives as defined by the WSD, regardless of whether or not those initiatives reflect the way we manage those activities and programs.

Where PG&E has WSD-defined initiatives that are combined into an overall program or otherwise not tracked individually, as listed in the attachment, we are currently undertaking

analyses to estimate the cost, risk reduction benefit, and other details related to each WSD-defined initiative. In some cases, these analyses can be informed by historical data; in other cases, subject matter expertise and professional judgement are needed to create estimates for the costs and effort related to certain WSD-defined initiatives. For example, the bulk of the initiatives within category “A. Risk Mapping & Simulation” are either performed by internal electric operations staff where costs are not tracked uniquely and separately or are aspects of other initiatives, including weather and fire risk forecasting efforts which are largely tracked together within PG&E’s meteorology program. Therefore PG&E is asking those working teams to estimate the portions of their efforts and costs spent on each of the WSD-defined initiatives. We are estimating the details related to each WSD-defined initiative to address the conditions required by the Resolutions, to meet our two weeks (Class A, due July 27th) and 8 weeks (Class B, due September 9th) submittal requirements.

PG&E is developing updated section 5.3 tables that break out as many WSD-defined initiatives as are possible. Our wildfire mitigation initiatives and activities range from wildfire-focused programs (referred to as “Augmented Wildfire Operations” in condition Guidance-6), such as system hardening, to essentially existing utility programs, such as vegetation management or system inspections, that may or may not have been materially adjusted to further address ignition risk associated with utility assets. We do not necessarily track the enhanced or augmented activities separately from associated base programs, operationally or financially; calculating the incremental costs of augmented programs would require an in-depth activity and cost analysis and. PG&E will provide in-depth analysis of incremental costs where needed in the context of a cost recovery application, such as a future General Rate Case (GRC), as has been the expectation set by the Commission and the WSD. In this proceeding, we are providing the information required by the Resolutions for the pre-determined list of WSD-defined initiatives using approximate analyses of these programs. Since these program cost estimates separate costs and activities out of larger groupings that were never designed or intended to be broken up, the updated section 5.3 tables must be taken with a grain of salt. Looking ahead, costs submitted for recovery in future applications will be carefully classified, validated, and reported according to programs and categories that reflect PG&E’s actual operations, not a predetermined list of categories or initiatives, as is the case here.

Moving forward, precisely tracking all of these WSD-defined initiatives separately would require considerable time, software system changes, and training of personnel while introducing increased administrative costs and inefficiency to our operational processes. PG&E currently tracks programs at a level appropriate for managing effectiveness, efficiency, risk reduction, and other information, but does not track every specific component of overall programs in the ways that the WSD has identified. We understand and supports WSD’s desire for increased consistency across the utilities in order to compare the effectiveness, risk, and scope of wildfire risk mitigation activities. But we do not believe a completely unified set of initiatives across all utilities is necessary to achieve that goal, and we know it is not realistic given the differences in the utilities’ operations at this point in time. PG&E suggests that the utilities and WSD work to

develop a consensus on the areas of the WMP filings where consistency and alignment are necessary to drive better outcomes for all stakeholders.

PG&E looks forward to continued conversation and collaboration on wildfire risk mitigation initiative tracking as we all work towards the shared goal of eliminating catastrophic wildfires associated with utility equipment.

Sincerely,

Matthew Pender



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