

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



January 8, 2020

CPUC-WSD ID: 2020-QR_PGE-01

Meredith Allen, Sr. Director
Regulatory Compliance and Quality Assurance
Pacific Gas and Electric Company (PG&E)
77 Beale Street
San Francisco, CA 94105

SUBJECT: Notice of Non-Compliance (NONC) Identified During 2020 Wildfire Mitigation Plan (WMP) Quarterly Report (QR) Review

Dear Ms. Allen:

On behalf of the California Public Utilities Commission (CPUC or Commission), Wildfire Safety Division (WSD) staff reviewed PG&E's QR submitted on September 9, 2020. The QR filing is a requirement of PG&E's conditionally approved 2020 WMP, pursuant to Ordering Paragraph (OP) 7 of Resolution WSD-002. PG&E's QR filing must address the Class B Deficiencies identified in Resolutions WSD-002 and WSD-003. Class B Deficiencies are defined as aspects of the WMP that are insufficient in detail or justification.¹

Resolution WSD-002, Section 5.3.2 at p. 18 states:

"Class B deficiencies are of moderate concern and require reporting on a quarterly basis by the electrical corporation to provide missing data or update its progress in a quarterly report. Such information shall be submitted either one time in the first quarterly report or on an ongoing basis as specified by each condition. The quarterly reports shall be named "[Name]'s Quarterly Report on 2020 Wildfire Mitigation Plan for [period covered]." Each electrical corporation shall submit its initial quarterly report 90 days after the Commission ratifies the WSD Resolutions, and every three months thereafter. In some cases, individual Resolutions impose other additional reporting requirements, and the Resolutions contain relevant detail for those reports."

All Class B Deficiencies identified in WSD-002 and WSD-003 are accompanied by corresponding Conditions intended to resolve the deficiencies. On July 17, 2020, the WSD

¹ Resolution WSD-002 at p.17.

issued a letter titled, “Guidance on the Remedial Compliance Plan & Quarterly Report Process Set Forth in Resolution WSD-002” (RCP & QR Guidance Letter).² The RCP & QR Guidance Letter details the WSD’s approach to assessing QRs, and outlines a set of criteria used to evaluate the sufficiency of PG&E’s QR.

RCP & QR Guidance Letter at pp. 5-6 states:

“Upon review of an electrical corporation’s QR, the WSD will issue one of the following determinations:

- *Sufficient – The QR is sufficient and no additional action is required;*
- *Insufficient – The QR is insufficient. The WSD may issue further guidance concurrent with a finding of insufficiency.”*

“If a QR is determined to be ‘Insufficient,’ the electrical corporation will be required to include supplementary documentation and clarifications, as provided by WSD guidance, in its subsequent QR. Repeated determinations of insufficiency will require the electrical corporation to remedy the issue in the 2021 WMP Update, and the WSD may recommend that the Commission take further action”

In accordance with WSD-002 OP 6, PG&E must comply with Class B Conditions for its WMP to be deemed in compliance with Public Utilities Code Section (§) 8386 and the WSD’s WMP Guidelines. In order to remedy any of the insufficiencies identified, PG&E must supply additional information as part of its 2021 WMP Update or, if not possible to meet this deadline, in a supplemental filing to its 2021 WMP Update submitted no later than February 26, 2021.

California Code, Public Utilities Code - PUC § 8386(c)(22) states that the wildfire mitigation plan shall include:

“Any other information the Wildfire Safety Division may require.”

As detailed in Table 1 below and outlined in WSD-002 and WSD-003, PG&E is required to resolve the following Class B Deficiencies.

Table 1: Class B Deficiencies from PG&E’s 2020 WMP

#	Deficiency/ Condition No.	Deficiency Title	Sufficiency Finding
1	Guidance-1	Lack of risk spend efficiency (RSE) information	Insufficient
2	Guidance-2	Lack of alternatives analysis for chosen initiatives	Insufficient
3	Guidance-4	Lack of discussion on PSPS impacts	Insufficient

²https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/About_Us/Organization/Divisions/WSD/WSD%20Guidance%20Statement%20on%20RCP%20QP%2020200717.pdf

#	Deficiency/ Condition No.	Deficiency Title	Sufficiency Finding
4	Guidance-5	Aggregation of initiatives into programs	Sufficient
5	Guidance-6	Failure to disaggregate WMP initiatives from standard operations	Sufficient
6	Guidance-7	Lack of detail on effectiveness of “enhanced” inspection programs	Insufficient
7	Guidance-9	Insufficient discussion of pilot programs	Insufficient
8	Guidance-10	Data issues - general	Deferred ³
9	Guidance-11	Lack of detail on plans to address personnel shortages	Insufficient
10	Guidance-12	Lack of detail on long-term planning	Insufficient
11	PGE-2	Equipment Failure	Insufficient
12	PGE-5	PG&E provides little discussion of how it uses the results of relative risk scoring method.	Insufficient
13	PGE-6	Discrepancy between ignition reduction projections	Sufficient
14	PGE-7	It is not clear if PG&E’s line risk scoring sufficiently incorporates all risks that cause ignition and PSPS	Insufficient
15	PGE-9	How PG&E weighs egress as a risk factor	Insufficient
16	PGE-10	PG&E lacks sufficient weather station coverage	Insufficient
17	PGE-11	Including additional relevant reports	Sufficient
18	PGE-12	PG&E’s fuse replacement program planned to take 7 years.	Insufficient
19	PGE-13	PG&E does not explain how the factors limiting microgrid deployment will impact its microgrid plans	Insufficient
20	PGE-14	Level 3 findings	Insufficient
21	PGE-17	Effectiveness of inspections using infrared technology	Insufficient
22	PGE-18	PG&E does not describe in detail how its hazard tree analysis focuses on at-risk trees	Insufficient
23	PGE-19	Low pass rate on EVM QA	Insufficient
24	PGE-20	PG&E is redistributing resources to focus more on transmission clearances	Insufficient
25	PGE-21	PG&E fails to describe why additional programs for transmission clearances are necessary	Insufficient
26	PGE-22	Some of PG&E’s vegetation management inspectors may lack proper certification	Insufficient
27	PGE-23	Vegetation waste and fuel management processes unclear	Insufficient

³ The WSD is separately assessing the quality of geographic spatial information (GIS) data submissions required by Guidance-10, which will be addressed in GIS data quality control (QC) reports for each respondent electrical corporation.

#	Deficiency/ Condition No.	Deficiency Title	Sufficiency Finding
28	PGE-24	Improving prioritization	Insufficient
29	PGE-28	Lack of justification and detail for PG&E's self-assessed stakeholder engagement capabilities	Sufficient
30	PGE-29	Cooperation and sharing of best practices	Sufficient

While PG&E timely filed a QR, upon review by the WSD, 23 of its 30 responses to Class B Deficiencies were found to be insufficient, with an additional finding (for Guidance-10) deferred to a separate WSD report, as previously noted. The WSD determined that PG&E failed to adequately provide the required information needed to properly inform and sufficiently address its Class B Deficiencies. Accordingly, the WSD has determined that PG&E is out of compliance with California Public Utilities Code PUC § 8386, Resolution WSD-002, and Resolution WSD-003 for failure to adequately meet all of the requirements to address its Class B Deficiencies. The WSD may use this NONC or future such notices to support recommendations of enforcement action to the Commission.

Please refer to the QR Action Statement for more details on the insufficiencies for each individual Class B Condition, as well as guidance on how to respond to the NONC, including Action Items required to meet compliance. If you have any questions concerning this NONC, please contact Andie Biggs at (415)-703-3305 or andie.biggs@cpuc.ca.gov.

Sincerely,



Koko Tomassian
 Program and Project Supervisor
 Mitigation Branch
 Wildfire Safety Division
 California Public Utilities Commission

Cc: Caroline Thomas Jacobs, Director, Wildfire Safety Division, CPUC
 Melissa Semcer, Program Manager, Mitigation Branch, WSD, CPUC
 Andie Biggs, Utilities Engineer, Mitigation Branch, WSD, CPUC