

PUBLIC UTILITIES COMMISSION

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**WSD Action Statement**

Date: January 5, 2021
Subject: PG&E's September 11, 2020 Change Order Report

Summary

This Action Statement by the Wildfire Safety Division (WSD) approves the Pacific Gas and Electric Company (PG&E) Change Order Report submitted on September 11, 2020 to postpone its Sensor IQ Pilot Program completion date from February 2021 to October 2021. The approved scope and plan of the Sensor IQ Pilot Program from the 2020 Wildfire Mitigation Plan (WMP) will remain unchanged.

Background and Standard of Review

Resolution WSD-002 established a process for electrical corporations to submit a Change Order Report in order to modify, reduce, increase, or end any initiatives in its WMP prior to the 2021 WMP update. The WSD reviews an electrical corporation's Change Order Report to determine whether the electrical corporation has sufficiently provided the following information:

- a) Identification of the proposed change
- b) Justification of the proposed change
- c) The change in expected outcomes resulting from the proposed change

In regards to criteria "c," the WSD evaluates whether the electrical corporation sufficiently explained how the proposed change will impact the outcomes of its wildfire mitigation programs and if the electrical corporation has undertaken (or committed to) necessary steps to minimize adverse outcomes.

To support its review of PG&E's September 11, 2020 Change Order Report, the WSD issued a data request and engaged in follow-up conversations with PG&E staff.

a) Identification of the Proposed Change

In its 2020 WMP, PG&E proposed a \$1.8 million Sensor IQ Pilot Program¹ to test technology to provide greater visibility into voltage fluctuations and current reads. The Sensor IQ software works with existing Smart Meters to capture and store high resolution, real-time, and granular load, voltage, and outage data to enable predictive maintenance data analytics. The data from the pilot may provide PG&E with information about impending conductor or transformer issues or failures, which could inform other wildfire risk reduction initiatives.

¹ PG&E's 2020 Updated WMP, Section 5.3.2.2.7 at page 5-94.

PG&E's original Smart IQ Pilot Program deployed approximately 500,000 units on existing Smart Meters in Tiers 2 and 3 High Fire Threat District (HFTD) areas, covering 25,597 distribution line miles. The Sensor IQ Pilot was broken into two phases. The first phase included 200,000 units to be installed by October 2020. The second phase included an additional 300,000 units to be installed by December 2020. The pilot was originally scheduled to be evaluated in February 2021.

During implementation of the first phase, PG&E identified interoperability issues with vendor-supplied Sensor IQ product and firmware deployed on PG&E SmartMeters. The second phase was dependent upon the completion of an upgrade of PG&E's data center infrastructure, which was delayed. At the time of submission of its September 11, 2020 Change Order Report, PG&E reported that the software integration issue would be resolved in or around December 2020. Once resolved, PG&E would be able to begin the rollout of phase 1 with a targeted completion date of February 2021. The phase 2 rollout required PG&E to update its related data center, which is now scheduled to be completed by April 2021. As a result, the target completion date for phase 2 is now June 1, 2021. PG&E reports that it will evaluate data generated through the first and second phase of its rollout, with a final evaluation now scheduled to be completed by October 31, 2021.

The WSD finds that PG&E has sufficiently identified the proposed change in its September 11, 2020 Change Order Report pursuant to Resolution WSD-002.

b) Justification of Change

In its Change Order Report, PG&E explained that it is not prudent to fully implement the Smart IQ Program technology until the software integration issue involved in the data center upgrade is resolved and the testing to ascertain compatibility is completed, adding that implementation before adequately testing the software would risk interruption with the existing functionality of the Smart Meters.

The WSD finds that PG&E has provided sufficient justification for the proposed change in its September 11, 2020 Change Order Report.

c) Change in Expected Outcomes Resulting from the Proposed Change & Budget Impact²

Due to the delay with the Sensor IQ Program, PG&E anticipates a delay in conducting the strategic assessment that will reveal the operational value of the data obtained from the pilot; however, the information obtained during the pilot program may still be used to inform 2021 operations.

²Approval of a WMP or Change Order Report does not equate to approval of costs. See Resolution WSD-002, Ordering Paragraph 2, and Resolution WSD-003, Ordering Paragraph 6.

PG&E acknowledged that having a smaller volume of observations before the start of the 2021 wildfire season could limit the breadth of data analysis that can be completed. However, PG&E will actively monitor the data it receives during the first and second phases of the program and will actively optimize the deployment of the software to create effective coverage across all HFTD areas and improve visibility into patterns or trends in different geographic areas.³ In addition, PG&E reported that there are no additional expenditures as the result of the delayed implementation schedule described in the Change Order Report.

The WSD finds that PG&E has sufficiently accounted for impacts resulting from the Sensor IQ Pilot Program delay.

Conclusion

Based on the information provided by PG&E in its Change Order Report, responses to the data request and subsequent discussions with PG&E staff, PG&E's September 11, 2020 Change Order Report is approved. The WSD finds this Change Order Report complies with Guidance Resolution WSD-002 and the process to modify mitigation measures and risk reduction efforts. The WSD expects that PG&E will continue to work closely with its vendor to resolve the software integration issues and that the outcomes of the initiative will be reported in a subsequent Change Order Report or future WMP updates.

Sincerely,



Caroline Thomas Jacobs
Director, Wildfire Safety Division
California Public Utilities Commission

³ In follow-up discussions with the WSD, PG&E explained that the deployment of the first batch of Sensor IQ will be across all HFTD areas, which will allow PG&E to identify developing trends or patterns.