

**REPLY COMMENTS OF PACIFIC GAS AND ELECTRIC COMPANY ON
STAFF PROPOSAL FOR CORRECTIVE ACTIONS STEMMING FROM
THE ROOT CAUSE ANALYSIS OF THE 2017 AND 2018 WILDFIRES
ASSOCIATED WITH PG&E EQUIPMENT**

September 11, 2023

At the request of the California Public Utilities Commission (Commission or CPUC) staff, Pacific Gas and Electric Company (PG&E) offers the following reply comments on the Safety Policy Division’s (SPD) Draft Staff Proposal for Corrective Actions Stemming from the Root Cause Analysis of the 2017 and 2018 Wildfires Associated with PG&E Equipment (Draft Staff Proposal). Specifically, these reply comments address the opening comments of the Public Advocates Office (Cal Advocates) on the Draft Staff Proposal.¹ Cal Advocates makes six recommendations in their opening comments, and we address each of these six recommendations below.

I. Additional Oversight to Ensure Expedited Implementation of the Corrective Actions Is Unnecessary Given the Existing Oversight Already Being Exercised by SPD and the Outside Monitor

Cal Advocates’ first recommendation is that the Draft Staff Proposal should be modified to specify an oversight process to ensure expedited and complete implementation of all corrective actions.² However, additional oversight related to the implementation of the prescribed corrective actions in the Draft Staff Report is simply not warranted given the level of oversight that is already present. In addition to the broad compliance processes which the CPUC exercises every day, the Commission approved a robust compliance process, specific to the Wildfire Order Instituting Investigation Settlement Agreement, in Decision (D.) 20-05-019.³ This oversight, which is already in place, includes staff from SPD as well as the appointment of an outside auditor. Cal Advocates does not explain why this level of oversight is insufficient, and merely states that additional oversight is warranted “[g]iven the scope and breadth of PG&E’s failure.” While PG&E agrees that the 2017 and 2018 fires were failures that must not be repeated, Cal Advocates’ reasoning in no way addresses the current monitoring situation or the

¹ 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 (Cal Advocates Opening Comments) (Aug. 30, 2023).

² Cal Advocates Opening Comments at 2-3.

³ D.20-05-019, Ex. C at 8.

many years of changes implemented by PG&E since those fires. Given the oversight from SPD and the outside auditor, additional oversight is unnecessary.

II. Additional Oversight to Evaluate and Audit the Corrective Actions Is Also Unnecessary Given the Currently Established Process

Cal Advocates' second recommendation is that 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.⁴ However, similar to the first recommendation, PG&E urges the Commission to reject this argument since additional oversight is neither needed nor an efficient use of resources. The existing process, established by SPD, includes a review of all proposed corrective actions.⁵ There is no reason to believe that this process, as defined, would fail to provide robust oversight, and Cal Advocates offers none. Hence, this argument should be rejected.

As for Cal Advocates' recommendation that "the funding and scope of SEI-20" three-wire vs. four-wire project should be increased,⁶ PG&E notes that the SEI-20 project was formed with input from subject matter experts at both PG&E and the Commission. Thus, the final Request for Proposal is more detailed and broader than what was described in the decision.. However, if the scope is to be expanded further and additional funds are necessary, PG&E would not oppose,

III. Allocating Funds Not Spent on Root Cause Analysis Discovery to Corrective Actions Is Appropriate

The third recommendation offered by Cal Advocates is that the Draft Staff Proposal should be modified to revise how funds not spent on the Root Cause Analysis (RCA) will be expended.⁷ Specifically, Cal Advocates argues that the Draft Staff Proposal "should be revised to explicitly state that SPD shall retain oversight over implementation of the corrective actions and

⁴ Cal Advocates Opening Comments at 4-6.

⁵ D.20-05-019, Ex. C at 5.

⁶ Cal Advocates Opening Comments at 4-5.

⁷ Cal Advocates Opening Comments at 6.

to apply funds not yet expended, up to the specified \$17 million.”⁸ In response, PG&E notes that the treatment of excess funds, as described in the decision, is adequate.⁹ The decision notes that any available funds will be used to support corrective actions and this is appropriate.¹⁰ Cal Advocates is essentially arguing that the funds should be used as a further audit, which is neither needed nor a valuable use of those funds. Therefore, there is no need to revise the Draft Staff Proposal in such a manner.

IV. PG&E Fully Cooperated with Envista at All Times and There Is No Basis for Placing PG&E in Step 1 of Enhanced Oversight

For its fourth recommendation, Cal Advocates urges the Commission to modify the Draft Staff Proposal “to include a process to place PG&E into Enhanced Oversight and Enforcement Step 1.”¹¹ The Enhanced Oversight and Enforcement Process was established by D.20-05-053 and provides four triggering events for Step 1: (1) failure to obtain an approved wildfire mitigation plan, (2) failure to comply with or show sufficient progress towards certain metrics, (3) insufficient progress toward approved safety or risk-driven investments, and (4) failure to comply with the Commission’s requirements and conditions for approval of PG&E’s emergence from bankruptcy.¹² Cal Advocates argues that “PG&E restricted Envista’s access to information needed to conduct the RCA” and that “PG&E did not fully cooperate with the RCA.”¹³ PG&E disagrees with Cal Advocates’ allegations but, even if the allegations were credible, they do not amount to triggering events under the Enhanced Oversight and Enforcement Process.

Cal Advocates provides three examples of PG&E allegedly restricting Envista access to information:

- Envista stated: “No one with direct experience in the PG&E’s wildfire circuit analysis was provided for interview by PG&E.”

⁸ Cal Advocates Opening Comments at 6.

⁹ D.20-05-019, O.P. 1(d).

¹⁰ D.20-05-019, O.P. 1(d).

¹¹ Cal Advocates Opening Comments at 7.

¹² D.20-05-053, Appendix A at 1-2.

¹³ Cal Advocates Opening Comments at 6-7.

- Envista stated that it: “Requested PG&E’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.”¹⁴

These statements by Envista do not demonstrate that PG&E improperly restricted Envista’s access to information. Instead, PG&E fully cooperated with Envista in the performance of the root cause analysis and met frequently with both Envista and the Commission to ensure the Envista team had what was needed to complete their analysis. This included numerous regularly scheduled meetings with Commission Staff and Envista throughout the entire project to discuss open document and interview requests. Although Envista’s report noted these concerns, it did not suggest that these issues prevented it from completing the RCAs. In fact, Envista’s report explained that:

A traditional forensic analysis focuses on the physical evidence thought to be involved in the incidents. No physical evidence was available for this RCA. It has been nearly five years since the 2017 wildfires; many of the PG&E employees involved in the incidents are no longer with the company. The RCA Team requested unredacted versions of the reports on the fires from CAL FIRE, the CPUC Safety Enforcement Division (CPUC-SED) and PG&E. The RCA Team received the CAL FIRE and CPUC reports. The RCA Team requested, received, and reviewed thousands of pages of documents and data reports from PG&E but did not have access to PG&E’s internal analyses and conclusions of the wildfire ignitions.¹⁵

Contrary to Cal Advocates’ assertions based on selected quotes from the Envista report, PG&E employees were made available, based on specific requests submitted by Envista.

¹⁴ Cal Advocates Opening Comments at 6-7.

¹⁵ Root Cause Analysis of the 2017-18 Wildfires Found to Have Been Ignited by PG&E and Corrective Action Report, dated July 6, 2022, at 3.

Envista interviewed over 70 PG&E employees and PG&E provided more than 6800 documents in response to Envista's data requests. These documents included PG&E's internal ignition analysis. However, PG&E's analysis was limited by PG&E's lack of access to physical evidence collected by Cal Fire and focused on supporting the Cal Fire and CPUC investigations. Thus, each of the three examples cited by Cal Advocates above, merely demonstrate that the requested information/interviewees were not available to be produced due to the passage of time since the fires, the unavailability of the requested information, or PG&E's lack of access to the physical evidence.

Cal Advocates also cites three examples that it believes demonstrate that "PG&E did not fully cooperate with the RCA:"¹⁶

- "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."
- "The response did not identify specific sections or statements in that paper and did not answer the question."
- "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."¹⁷

Yet, as with the previous three examples cited by Cal Advocates, these examples do not show a lack of cooperation with Envista. PG&E's regularly scheduled calls included discussions of why formal responses were not provided for certain questions, such as when the requested documents were not available or the information could be collected through an interview. PG&E shared its internal ignition analysis which was limited due to the lack of access to certain physical evidence and its purpose of supporting Cal Fire and CPUC investigations.

¹⁶ Cal Advocates Opening Comments at 7.

¹⁷ Cal Advocates Opening Comments at 6.

More fundamentally, none of the allegations from Cal Advocates amount to a triggering event under the Enhanced Oversight and Enforcement Process, nor is there evidence that the issues were so significant to interfere with the goal of preparing the RCA or amounted to such a concern that placement in Step 1 would be appropriate. In short, Cal Advocates' proposal is inconsistent with the Enhanced Oversight and Enforcement process triggering requirements and unsupported by the facts, and thus should be rejected.

V. PG&E Will Support the Commission in Modifying the General Orders

Cal Advocates' fifth recommendation is that the Draft Staff Proposal should be modified to recommend a rulemaking to address the RCA Report's proposed General Order modifications.¹⁸ PG&E notes, in response, that it will support the Commission on whatever revision process is established to facilitate GO revisions.

VI. The Commission and the Office of Energy Infrastructure Safety Are Already Monitoring PG&E's Backlog of Corrective Maintenance Work Orders

The sixth and final recommendation from Cal Advocates is that SPD should investigate PG&E's asset maintenance issues.¹⁹ Specifically, Cal Advocates argues that: (1) SPD "cannot rely on the WMP Process" from the Office of Energy Infrastructure Safety (Energy Safety) "to address PG&E's large maintenance backlog;" and (2) that "SPD should facilitate an audit of PG&E's asset management programs."²⁰ In response to the first assertion, Cal Advocates offers no explanation as to why a regulatory agency such as Energy Safety is not the appropriate body to examine matters related to the safety of PG&E's electrical grid. Indeed, as the name suggests, Energy Safety is specifically tasked with this very task.²¹ In response to the second assertion, PG&E continues to work with the Commission on the resolution of the backlog of maintenance

¹⁸ Cal Advocates Opening Comments at 8.

¹⁹ Cal Advocates Opening Comments at 9.

²⁰ Cal Advocates Opening Comment at 9-12.

²¹ Energy Safety's mission statement puts this very succinctly by stating that it's goal is: "Driving energy infrastructure risk reduction for the State of California." See <https://energysafety.ca.gov/>.

tags.²² PG&E further notes that, as part of the settlement agreement for the RCA proceeding, an audit of PG&Es overhead preventative maintenance practices was conducted which found that “PG&E's policies and procedures satisfy the regulatory requirements and are on par with industry best practices.”²³

VII. CONCLUSION

We appreciate the opportunity to provide these reply comments and look forward to continuing to partner with the Commission and stakeholders on this important work.

²² D.20-05-019, Ex. C at 5.

²³ PG&E Electric Overhead Transmission & Distribution Preventative Maintenance Programs Audit: Phase 1 Policies and Procedures, dated November 1, 2022, at 10.