



BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

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Order Instituting Investigation on the Commission's Own Motion to Consider the Ratemaking and Other Implications of a Proposed Plan for Resolution of Voluntary Case filed by Pacific Gas and Electric Company Pursuant to Chapter 11 of the Bankruptcy Code, in the United States Bankruptcy Court, Northern District of California, San Francisco Division, In re Pacific Gas and Electric Corporation and Pacific Gas and Electric Company, Case No. 19-30088.

Investigation 19-09-016  
(Filed September 26, 2019)

**REPLY COMMENTS OF THE  
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES  
ON THE ASSIGNED COMMISSIONER PROPOSALS**

March 26, 2020

SARA STECK MYERS  
Attorney for the  
Center for Energy Efficiency and  
Renewable Technologies

122 – 28<sup>th</sup> Avenue  
San Francisco, CA 94121  
Telephone: (415) 387-1904  
Facsimile: (415) 387-4708  
E-mails: [ssmyers@att.net](mailto:ssmyers@att.net)

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The Center for Energy Efficiency and Renewable Technologies respectfully submits these Reply Comments on the Assigned Commissioner Proposals attached to the Assigned Commissioner's Ruling issued in this proceeding on February 18, 2020 (February 18 ACR). These Reply Comments are filed and served pursuant to the Commission's Rules of Practice and Procedure, the Administrative Law Judge's (ALJ's) Ruling Confirming Modification of Procedural Schedule issued in this proceeding on March 6, 2020 (March 6 Ruling), and the Practitioner Alert issued by the ALJ Division on March 18, 2020.

**I.  
CEERT SUPPORTS THE MULTIPLE PARTIES WHOSE COMMENTS AND BRIEFS  
DEMONSTRATE THE SERIOUS LEGAL AND FACTUAL SHORTCOMINGS OF THE  
ASSIGNED COMMISSIONER'S PROPOSAL THAT CALLS FOR ADOPTION OF  
PG&E'S "ILL-DEFINED" PROPOSED "REGIONAL RESTRUCTURING PLAN."**

In its Comments on the Assigned Commissioner's Proposals issued with the February 18 ACR, CEERT took great exception to those proposals failing to ensure a future corporate structure for Pacific Gas and Electric Company (PG&E) that will effectively address climate

change and, worse, adopting a proposal by PG&E that would result in wrongly eviscerating the record in a separate, open proceeding (I.15-08-019) on changes needed to PG&E’s organization and governance to prioritize safety without notice or opportunity to be heard.<sup>1</sup> On that point, CEERT asked in its Comments that, at the least, any Commission approval of the Assigned Commissioner’s Proposal 6 based on adoption of PG&E’s “Regional Restructuring Plan” proposed here must make clear that “those directives will not impact and will not create any moratorium on the Commission’s consideration of proposals for changes to PG&E corporate and governance structure currently being addressed and pending in I.15-08-019.”<sup>2</sup> In fact, any action by the Commission to impose such a moratorium would be wholly contrary to the Assigned Commissioner’s Scoping Memo and Ruling issued on November 14, 2019, which expressly denied CEERT’s motion for consolidation of I.15-08-019 with I.19-09-016 and further determined that the “record of that proceeding will not be incorporated by reference in this proceeding.”<sup>3</sup>

These same objections to PG&E’s Regional Restructuring Plan were raised and supported both as a matter of law and the record in this proceeding by the briefs and comments of multiple parties. These objections, like those raised by CEERT, focus on PG&E asking that, in adopting its Regional Restructuring Plan, the Commission “put a moratorium on considering” the other structural alternatives proposed in I.15-08-019 (PG&E Safety Culture) for five (5) years.<sup>4</sup>

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<sup>1</sup> CEERT Opening Comments on Assigned Commissioner Proposals, at pp. 1-9.

<sup>2</sup> *Id.*, at p. 9.

<sup>3</sup> Scoping Memo, at p. 8; emphasis original.

<sup>4</sup> Exhibit (Ex.) PG&E-1, at p. 1-10 (PG&E (Johnson)); RT at 83-84 (PG&E (Johnson)); CEERT Opening Comments, at p. 8; South San Joaquin Irrigation District (SSJID) Opening Brief, at p. 6; Marin Clean Energy (MCE) Opening Brief and Comments, at pp. 46-47; .

Specifically, these parties make clear, consistent with the Scoping Memo in this OII, that “any determination related to [I.15-08-019] is outside the scope of this proceeding,” a point on which PG&E had previously agreed in opposing CEERT’s Motion to consolidate I.15-08-019,<sup>5</sup> and would be “prejudicial error.”<sup>6</sup> Further, approval of PG&E’s “moratorium” on I.15-08-019 proposals would not only allow PG&E to use its “ill-defined relief” to wrongly “circumvent” the scope of this OII, but would violate due process, would be inconsistent with the law, would improperly limit the Commission’s jurisdiction, and would inappropriately “preclude or preempt any other Commission-led restructuring of PG&E,” including I.15-08-019.<sup>7</sup> It is also clearly problematic for the Commission to adopt a proposal that would have that affect where “regional restructuring is a complex effort that will likely take years to fully implement.”<sup>8</sup> As the City and County of San Francisco correctly concludes in its Opening Brief, PG&E’s Plan “does not ensure that PG&E’s safety culture will be transformed” nor has this proceeding “considered all the potential mechanisms for making PG&E a safer company,”<sup>9</sup> issues that are being considered and can continue to be considered in I.15-08-019.

Making PG&E a “safer company” also includes those proposals in I.15-08-019 for changes in its operation and governance aimed at “combatting” climate change, which, the Commission has confirmed is the “root cause” of PG&E current financial peril due to its wildfire liability.<sup>10</sup> Notably, the Opening Briefs of Will Abrams and the Small Business Utility Advocates (SBUA) underscore how PG&E’s Plan falls far short of either addressing the threats

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<sup>5</sup> City of San Jose Opening Brief, at pp. 3-4.

<sup>6</sup> City and County of San Francisco (CCSF) Opening Brief, at pp. 17-18.

<sup>7</sup> South San Joaquin Irrigation District (SSJID) Opening Brief, at pp. 6-14; Marin Clean Energy (MCE) Opening Brief and Comments, at pp. 46-47; *see also*, Joint Community Choice Aggregators (Joint CCAs) Opening Brief, at pp. 4-5.

<sup>8</sup> The Utility Reform Network (TURN) Opening Brief, at p. 36, n. 98, 84-86; *see also*, California Large Energy Consumers Association (CLECA) Opening Brief with Comments, at pp. 26-27.

<sup>9</sup> CCSF Opening Brief, at p. 18.

<sup>10</sup> CEERT Comments on Assigned Commissioner Proposals, at p. 5.

posed by climate change, especially wildfire risks and damage, or ensuring “progress toward climate goals,” a stated aim of the Assigned Commissioner Proposals.<sup>11</sup>

PG&E’s Opening Brief seeks to dismiss these contentions as unnecessary to consider here where it has “met applicable procurement requirements, including RPS [Renewable Portfolio Standard], which meets the specific terms of [AB 1054].”<sup>12</sup> However, this argument only underscores the importance of I.15-08-019 being allowed to proceed unabated. That is, AB 1054 is *not* the only statutory consideration related to PG&E’s compliance with California’s and this Commission’s climate change goals and mandates and is relevant only to conditions for approval PG&E’s plan to emerge from bankruptcy to qualify for the wildfire insurance fund.

In recognition of that law’s limitations, it is clear why the Commission cannot allow a proposal like PG&E’s “ill-defined” Regional Restructuring Plan to “preclude or preempt” consideration of proposed changes to PG&E’s safety and governance structure that are much broader in their scope, including on the issue of climate change, and are and remain at issue in the still open and pending I.15-08-019. Those proposals include the Open Access Distribution System Operator (OA-DSO) proposal made in I.15-08-019 and described in detail in the CEERT-Climate Center Joint Response to this OII.<sup>13</sup>

### **III. CONCLUSION**

For the reasons stated in CEERT’s Comments on the Assigned Commissioner’s Proposal and in these Reply Comments, CEERT urges the Commission to take no action that in any way preempts, precludes, or delays consideration of proposals made in I.15-08-019 for changes to PG&E’s corporate structure and governance that are, and remain, pending. Nothing in the

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<sup>11</sup> Assigned Commissioner Proposal, at p. 4; Abrams Opening Brief, at p. 8; SBUA Opening Brief, at pp. 20-21.

<sup>12</sup> PG&E Opening Brief, at p. 174.

<sup>13</sup> CEERT-Center Joint Response to I.19-09-016 (OII), at pp. 9-13; Appendix A.

Scoping Memo in this proceeding permits such action to be taken. At the least, as recommended by CEERT in its Opening Comments, if adopted, the Commission must amend Proposal 6 as follows:

“To the extent that the Commission conditions approval of PG&E’s Plan of Reorganization on PG&E creating local operating regions to bring management closer to their customers and filing an application for approval of a proposed regional restructuring plan to that end on June 30, 2020, those directives will not impact and will not create any moratorium on the Commission’s consideration of proposals for changes to PG&E corporate and governance structure currently being addressed and pending in I.15-08-019.”

Respectfully submitted,

March 26, 2020

/s/ SARA STECK MYERS

Sara Steck Myers  
Attorney for the  
Center for Energy Efficiency and  
Renewable Technologies

122 – 28<sup>th</sup> Avenue  
San Francisco, CA 94121  
Telephone: (415) 387-1904  
Facsimile: (415) 387-4708  
E-mails: [ssmyers@att.net](mailto:ssmyers@att.net)