



BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric
Company for Approval of Regionalization
Proposal. (U39M)

Application 20-06-011
(Filed June 30, 2020)

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**PROTEST OF THE
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES
TO APPLICATION OF PACIFIC GAS AND ELECTRIC COMPANY (U39M)
FOR APPROVAL OF REGIONALIZATION PROPOSAL**

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

122 – 28th Avenue
San Francisco, CA 94121
Telephone: (415) 387-1904
Facsimile: (415) 387-4708
E-mails: ssmyers@att.net

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The Center for Energy Efficiency and Renewable Technologies (CEERT) respectfully files this Protest to Application (A.) 20-06-011, the application of Pacific Gas and Electric Company (PG&E) for approval of its Regionalization Proposal. This Protest is timely filed and served pursuant to Rule 2.6 of the Commission's Rules of Practice and Procedure.¹

**I.
OVERVIEW**

CEERT is a nonprofit public-benefit organization founded in 1990 and based in Sacramento, California. CEERT is a partnership of major private-sector clean energy companies, environmental organizations, public health groups and environmental justice organizations. CEERT designs and fights for policies that promote global warming solutions and increased reliance on clean, renewable energy sources for California and the West. CEERT is working toward building a new energy economy, including cutting contributions to global warming and reducing dependence on fossil fuels. CEERT has long advocated before the Commission for increased use of preferred resources and for California to move towards a clean energy future.

¹ By Rule 2.6(a), "a protest or response must be filed within 30 days of the date the notice of the filing of the application first appears in the Daily Calendar." Notice of this Application (A.20-06-011) first appeared in the Commission's Daily Calendar on Monday, July 6, 2020, making today, August 5, 2020, the thirtieth day from that notice.

CEERT has been a party to numerous Commission proceedings relevant to this Application, including Investigation (I.) 15-08-019 (PG&E Safety Culture) and I.19-09-016 (PG&E Reorganization Plan). By Decision (D.) 20-05-053 issued in I.19-09-016, the Commission ordered PG&E “to implement regional restructuring consistent with this decision.”²

II. COMPLIANCE WITH RULE 2.6(a)

Rule 2.6 of the Commission’s Rules of Practice and Procedure allows parties to either protest or respond to an application. A “protest” objects to the granting, in whole or in part, of the authority sought in an application; a “response” does not object to that authority, but does present information pertinent to resolving the application.

By this Protest, CEERT objects to limitations placed by PG&E on the scope and objectives of its Regionalization Proposal. By the Application, PG&E repeatedly states that the “goal” of its Regionalization Proposal is for PG&E “to become a better utility and provide superior customer service” and is “one part of PG&E’s effort to become an operationally excellent company, which will make us safer, more reliable and more responsive to our customers.”³ PG&E, similarly, describes its Regionalization Proposal “as a starting point, not an end point” and “one step in our effort to transform PG&E into a safer and more reliable utility.”⁴

It may be that the Application at its most basic complies with the vague outline of a “regional restructuring” proposal made by PG&E in I.19-09-016 (PG&E Reorganization Plan), and on which the Assigned Commissioner, and, in turn, D.20-05-053 authorized PG&E to file the instant Application.⁵ However, as CEERT repeatedly expressed in I.19-09-016, and in response to the Proposed Decision on which D.20-05-053 was based, the “regionalization

² D.20-05-053, Ordering Paragraph 3, at p. 123.

³ A.20-06-011 (PG&E Regionalization Proposal) Application, at p. 4.

⁴ *Id.*, at p. 1.

⁵ D.20-05-053, at pp. 55-57.

proposal” made by PG&E in that proceeding, and effectively repeated in the Application here, does little more than to re-assign personnel concentrated at a more local level to “refocus the Company on core operations, our customers, and the frontline employees that serve them” and enhance “local decision making that is better informed by deeper knowledge of local customers, assets, and conditions.”⁶ While these may be worthy goals, they certainly do not involve changes in PG&E’s operations in terms of its electric distribution, transmission, or procurement that could fundamentally alter the way PG&E does business in a manner that will improve safety and efficiency and achieve Climate Change goals in meeting customer electric demand.

CEERT welcomed the Commission’s rejection in D.20-05-053 of PG&E’s further request that the filing of its Regionalization Proposal Application should serve to create a 5-year moratorium on other, more meaningful regulation and actions to be taken by the Commission, including proposals still pending in I.15-08-019 (PG&E Safety Culture). However, on July 15, 2020, an Administrative Law Judge’s (ALJ’s) Ruling on the Case Status of I.15-08-019 issued in both I.15-08-019 and I.19-09-016 seeks comments on 5 options on “what to do with I.15-08-019,” all of which, save possibly one, would effectively end that proceeding without further review or actions on those proposals.⁷

Such an outcome results in imposing the very moratorium on Commission regulation of PG&E that was rejected by D.20-05-053. That is, this Application would become the sole venue for the Commission’s consideration of any other organizational changes to PG&E that are still required to improve the safe and efficient operations of its infrastructure in a manner that will also achieve Climate Change goals. If that is the case, then the scope of this Application must

⁶ A.20-06-011 (PG&E Regionalization Plan) Application, at p. 2.

⁷ I.15-08-019/I.19-09-016 ALJ’s Ruling, at pp. 2, 9.

include issues focused on PG&E undertaking a “regional” restructuring that is not just limited to placing more offices and personnel in certain parts of its geographic service territory.

For these reason, CEERT strongly urges the Commission to ensure consideration in this Application of other organizational changes to PG&E, other than as proposed, that will improve the safety and efficiency of PG&E’s operations in the transmission and distribution of electricity to its customers and achieve Climate Change goals. The Application should not be approved absent a determination of the merits and propriety of needed changes that will achieve those ends.

III.
EFFECT OF THE APPLICATION ON CEERT AND NEED TO
BROADEN SCOPE OF PG&E’S REGIONALIZATION PROPOSAL.

As stated in Section I. above, CEERT’s advocacy before this Commission has for decades focused on ensuring that actions taken by this Commission will promote and meet California’s Climate Change goals, including cutting contributions to global warming and reducing dependence on fossil fuels. On this last point, certain facts are not changed by the Commission’s approval of PG&E’s Reorganization Plan in D.20-05-053. Namely, the link between Climate Change and the “catastrophic” wildfires that have imperiled PG&E’s customers and have posed, and will continue to pose financial challenges for the utility, remains. As such, that fact continues to require consideration by the Commission of alternative organizational structures for PG&E that will address “the ability of the state to implement its energy policies, including the need to reduce greenhouse gas (GHG) emissions and local criteria pollutants in both the utility sector and the economy as a whole.”⁸

⁸ I.15-08-019 (PG&E Safety Culture) Amended Scoping Memo (December 21, 2018), at p. 2; A.18-10-003 (PG&E Short Term Borrowing), Reporter’s Transcript (“RT”) at 36 (Commissioner Picker (“I think everybody is thinking a lot about climate change, fires and the impact that they are having on our utilities already. We are hearing people compare the incident case of PG&E as being one of the first major

It was in response to this need – certainly not accomplished by the “regionalization” planned by PG&E - that CEERT joined with the Climate Center in I.19-09-016 in urging consideration of a proposal for “PG&E’s electric distribution service should be restructured as an Open Access Distribution System Operator [OA-DSO].”⁹ This OA-DSO proposal is analogous to FERC’s open-access rules for transmission service and wholesale markets, but is more particularly designed for PG&E’s electric distribution function to address both “near-term concerns about safety and reliability in the face of more extreme and unpredictable disruptions” and to allow PG&E to “most effectively fulfill its roles and responsibilities in achieving California’s decarbonized future.”¹⁰

While the OA-DSO proposal was determined to be out-of-scope in I.19-09-016, it has been confirmed to be a proposal that remains in scope for I.15-08-019. However, as noted above, if I.15-08-019 is closed, it will leave only this Application as a current venue for considering changes to PG&E’s organizational structure beyond simply focusing personnel at the local level. That is, issues in this Application should extend to consideration of organizational changes that improve safety and combat Climate Change and, in turn, move PG&E further in the direction of averting wildfire catastrophes for the benefit of California citizens and the environment.

As PG&E has currently framed the Application, the “issues” to be considered, again, define “regionalization” in terms of adding or focusing personnel in 5 defined regions.¹¹ While the attached “Regionalization Proposal” starts by acknowledging that PG&E “must fundamentally change” and that its “failures” in operating its gas and electric systems “have

business failures due to *climate change*.” (Emphasis added.) See also, I.15-08-019 (PG&E Safety Culture) CEERT Comments on December 21, 2018 Scoping Memo (February 13, 2019), at p. 7.

⁹ *Id.*

¹⁰ I.15-08-019 (PG&E Safety Culture) Center Comments (Filed July 22, 2019), at p. 10.

¹¹ A.20-06-011 (PG&E Regionalization Proposal) Application, at p. 17.

caused devastation in our communities,” there is only a single reference to combatting Climate Change in the Application or the attached proposal. Instead, PG&E only states that its Regionalization Proposal “improvements” are to occur “while we continue to accelerate actions that reduce wildfire risk from our assets and support California’s ambitious energy goals that address the challenge of climate change.”¹² Yet, the Application offers no suggestion of how its present “regionalization proposal” will in any way contribute to that end.

For that reason, and given the possibility that I.15-08-019 will be closed or extremely limited in its purview, CEERT believes that the merits of PG&E’s “Regionalization Proposal” must include consideration of its effectiveness in improving safety and combatting Climate Change. Therefore, the issues to be addressed by this Application must be expanded to include consideration of other, additional “regionalization” restructuring of PG&E’s operations, especially at the distribution level, that will, in fact, enhance safety and reduce Climate Change risks and impacts.

IV. PROPOSED CATEGORY FOR APPLICATION, NEED FOR EVIDENTIARY HEARINGS, ISSUES TO BE CONSIDERED, AND PROPOSED SCHEDULE

Rule 2.6(d) also gives parties protesting or responding to an application the opportunity to provide comments or objections “regarding the applicant’s statement on the proposed category, need for hearing, issues to be considered, and proposed schedule.” An “alternative schedule” can also be proposed.¹³

CEERT agrees with PG&E that the application should be categorized as “ratesetting.” As to the need for an evidentiary hearing, CEERT disagrees with PG&E that no evidentiary hearings are required, especially where PG&E expects its Regionalization Proposal to initiate

¹² A.20-06-011 (PG&E Regionalization Proposal) Application, Attachment A, at p. 1.

¹³ Commission’s Rules of Practice and Procedure, Rule 2.6(d).

changes that are expected to “transform” the utility “into a safer and more reliable utility” and to do so at ratepayer expense. The merits of its proposal clearly must be tested by discovery, open public testimony under oath, and formal briefs by all interested parties.

For the reasons stated in Section III. above, PG&E’s list of issues to be considered in this Application is insufficient. Instead, at the least, those issues must also include the following:

Does PG&E’s Regionalization Proposal address and provide for organizational changes, especially at the distribution level, that appropriately and adequately improve the safety and efficiency of its operations and combat Climate Change?

Finally, CEERT disagrees with the proposed schedule contained in the Application. There remains serious issues of whether this Application goes far enough in even beginning PG&E’s needed transformation to a safer and more reliable utility, all of which must be resolved before parties can effectively respond.

V. REQUEST FOR PARTY STATUS

Pursuant to the Commission’s Rules of Practice and Procedure, CEERT requests confirmation of party status with the following individual to be listed as the appearance for CEERT on the Party Service List in A.20-06-011:

Sara Steck Myers
Attorney at Law
122 – 28th Avenue
San Francisco, CA 94121
Telephone: (415) 387-1904
Facsimile: (415) 387-4708
E-mail: ssmyers@att.net
FOR: Center for Energy Efficiency and Renewable Technologies (CEERT)

CEERT also requests that the following be added to the Information Only portion of the Service List in A.20-06-011:

Megan M. Myers
Attorney at Law
110 Oxford Street
San Francisco, CA 94134
Telephone: (415) 994-1616
E-mail: meganmmyers@yahoo.com

And

James H. Caldwell, Jr.
1650 E. Napa Street
Sonoma, CA 95476
Telephone: (443) 621-5168
E-mail: jhcaldwelljr@gmail.com

Respectfully submitted,

August 5, 2020

/s/ SARA STECK MYERS
Sara Steck Myers
Attorney for CEERT
122 28th Avenue
San Francisco, CA 94121
Telephone: (415) 387-1904
Facsimile: (415) 387-4708
E-mail: ssmyers@att.net