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11/02/20
04:59 PM

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric Company (U39M) for recovery of recorded expenditures related to wildfire mitigation and catastrophic events, as well as other recorded costs.

A.20-09-019
(Filed September 30, 2020)

**WILD TREE FOUNDATION PROTEST TO
APPLICATION OF PACIFIC GAS AND ELECTRIC COMPANY
FOR RECOVERY OF RECORDED EXPENDITURES RELATED TO
WILDFIRE MITIGATION AND CATASTROPHIC EVENTS,
AS WELL AS OTHER RECORDED COSTS**

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Dated: November 2, 2020

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Pursuant to Rule 2.6 of the California Public Utilities Commission’s (“Commission”) Rules of Practice and Procedure, Wild Tree Foundation submits the following protest to the *Application Of Pacific Gas And Electric Company For Recovery Of Recorded Expenditures Related To Wildfire Mitigation And Catastrophic Events, As Well As Other Recorded Costs* (“Application”).

Wild Tree Foundation (“Wild Tree”) is a 501(c)(3) non-profit organization dedicated to the protection of our environment, climate, and wildlife. Wild Tree advocates for transparency,

public participation, and compliance with the Rule of Law in government decision-making and against corruption by government agencies and officials and regulated entities.

PROTEST

Wild Tree protests Pacific Gas And Electric Company (“PG&E”) application for cost recovery on a variety of grounds, some of which are described herein. Wild Tree anticipates that as it is able to further review the application and surrounding facts, it will also see need to address PG&E’s claimed offsets, appropriateness of how costs were incurred, and the impact of PG&E’s bankruptcy on the application.

1. Multiple Applications Are Necessary

Meaningful review of PG&E’s application as filed would be unworkable for the Commission and ratepayers and their advocates even if PG&E had not proposed a highly expediated schedule for review of the entire application. PG&E had taken a kitchen sink approach to this application - applying for rate increases as recovery for costs recorded in multiplate, disparate accounts over the past decade under different laws and Commission decisions. PG&E’s application includes costs from six different kinds of accounts for a wide variety of activities and events spanning the years 2011 to 2020.

The Commission cannot possibly make an informed decision based upon an adequate record in such a short time. Different statutes govern different part of the application and there are numerous facts patterns at play with no unifying theme. Wild Tree, therefore, recommends that the Commission instruct PG&E to submit, in lieu of what it has submitted in this proceeding, at least three separate application for costs related to 1.) Fire Hazard Prevention Memorandum

Account (FHPMA), 2.) Fire Risk Mitigation Memorandum Account (FRMMA) and Wildfire Mitigation Plan Memorandum Account (WMPMA), 3.) Catastrophic Event Memorandum Accounts (CEMA). The Land Conservation Plan Implementation Account and Residential Rate Reform Memorandum Account costs could be included in any of these applications.

PG&E's assertion that there is some sort of benefit in applying for all these costs in a single applications is disingenuous. PG&E claims:

This application includes the recorded costs from a variety of memorandum accounts. We have pursued this approach in the interest of minimizing the administrative burden on the Commission and stakeholders that would otherwise result from a variety of separate applications, creating separate dockets and proceedings. (We previewed this consolidated filing in its Interim Rate Relief application, where we stated that we would be filing costs for the variety of memorandum accounts in one or more applications in 2020. If this approach of consolidating different memorandum accounts into one proceeding proves administratively efficient, we expect to continue this approach for future calendar years.)¹

Review of everything that PG&E has proposed in this application under PG&E's schedule will increase, not decrease the burden on intervenors and will result in a rushed process and a sub-standard record. PG&E's strategy to pack as many different issues into one application will chill public participation because it will make it impossible for Wild Tree and other intervenors to fully address all the issues. There is simply be too much to be addressed at one time, much less at one time in less than a year. The Commission would likewise not be able to undertake the kind of intensive review necessary to address so many different activities and events under the various relevant statutes.

FRMMA and WMPMA applications may be subject to a twelve month proceeding timeline, unless the Commission extends the deadline for good cause.² There are no grounds for any other costs included in PG&E's application be reviewed in a highly expedited process within

¹ PG&E Application at p. 2.

² Pub Util. Code, § 8386.4, subd. (b)(2).

12 months. It does not make sense then, for the Commission to review of all of the various costs applied for in this application to be reviewed per PG&E's suggested schedule.

PG&E has also preemptively applied for some of the costs. For example, PG&E states that it expects to receive additional insurance proceeds for such unspecified CEMA events.³ It states that it would "credit these to customers." PG&E must decrease an application for CEMA costs by any insurance proceeds and this offset should be set out in the application. PG&E should wait to file an application for CEMA costs until such time that it can provide an accurate accounting of all costs and offsets. PG&E should be instructed to later-file a separate application for CEMA costs.

2. Ratepayers Should Not Have to Pay Any Further For Power Shutoff Costs

In its application, PG&E has included \$214,210,000 of costs for "public safety power shutoffs" under FRMMA/WMPMA and an additional \$17,156,000 of costs for "2019 October Wind" under CEMA. Ratepayers have already paid the price for PG&E's unilateral decisions to shut off power in a haphazard and unsuccessful manner⁴ and should, by no means, be on the hook for PG&E's costs in cleaning up the mess it made. Michael Wara of Stanford University testified before the Senate Committee on Energy and Natural Resources that the 2019 PG&E blackouts costs likely cost customers more than \$10 billion.⁵ In particular, small businesses and

³ See PG&E Application at p. 5.

⁴ See San Francisco Chronicle, *PG&E equipment started 2019 Kincade Fire in Sonoma County, Cal Fire says* (July 16, 2020) available at: <https://www.sfchronicle.com/california-wildfires/article/PG-E-started-2019-Kincade-Fire-in-Sonoma-County-15414134.php>.

⁵ See San Francisco Chronicle, *PG&E profit increase blocked; CEO projects five more years of blackouts* (December 29., 2019) available at: <https://www.sfchronicle.com/business/article/PG-E-blackouts-could-go-on-for-five-years-CEO-14919406.php#>.

our most vulnerable communities and individuals suffered from loss and insecurity of electricity needed for critical medical care, business losses from destroyed supplies, and inability to work and operate businesses.

Indeed, the Governor declared a state of emergency in October 2019 due in large part, if not entirely, as a result of PG&E unilaterally deciding to shut off power. The emergency declaration states:

WHEREAS electrical utilities, including Pacific Gas and Electric, Southern California Edison, and San Diego Gas and Electric, have independently decided to engage in de-energization of their power lines, known as a Public Safety Power Shutoff or PSPS; and

WHEREAS these Public Safety Power Shutoffs have resulted or will likely result in more than one million customers without electricity, including, but not limited to, households, businesses, public facilities, medical care facilities, schools, and critical infrastructure; and

WHEREAS the utilities' independent decision to engage in a widespread preemptive de-energization of power lines in response to this extreme weather event has resulted in significant and complex challenges for state and local governments to maintain public safety and essential services, and to mitigate impacts on vulnerable populations and critical infrastructure . . .⁶

PG&E should not be eligible for recovery for costs for an emergency that was caused by its actions. It should most certainly not be able to recover costs to restore service that it shut down of its own accord thereby causing an emergency.

⁶ Executive Department State of California, *Proclamation of a State of Emergency* (October 27, 2020), available at: <https://www.gov.ca.gov/wp-content/uploads/2019/10/2019-17-Fire-weather-conditions-State-of-Emergency-Signed-10.27.19.pdf> .

3. Cost Recovery For Many Of The CEMA Costs Would Be Unreasonable

Under the Code⁷, Resolution E-3238, and Commission precedent, CEMA review is complicated and is not analogous to review for other types of costs in this application. As the Commission has explained, CEMA costs are subject to a multi-part review:

In this case, in addition to confirming that the funds for which [a utility] seeks recovery were spent on the stated repairs, a proper review requires us to determine whether, at a minimum: (1) the [event] qualify as a disaster for CEMA purposes, and, if so, the scope of the disaster; (2) the damage for which cost recovery is sought was related to that disaster; (3) the costs could have been avoided or reduced. . . and (4) the costs for which recovery is sought are reasonable and incremental to normal . . . facility repair activity, including whether the costs were or should have been included among the risks contemplated to be borne by the utility in current rates. It is only after making these determinations that we can properly evaluate the reasonableness. . .⁸

It does not, then, make sense that other types of costs should be reviewed, in the same application, alongside CEMA costs and a separate, later application should be filed.

As discussed above, PG&E should not be permitted to seek recovery for so many different activities and events in one applications. For example, for just one of the six types of costs that PG&E has applied for - CEMA costs - there are 10 separate events, each with a unique fact pattern and set of problems. Wild Tree protests PG&E's application specifically for CEMA costs for events identified by PG&E as: the January/February Severe, the October Wind Events, and the Tubbs Fire. PG&E cannot show that it meets the requirements of CEMA for these costs. Wild Tree anticipates that as it is able to further review the application and surrounding facts, it will likely object to recovery for many other types of costs as well.

(signature page follows)

⁷ Pub. Util. Code, § 454.9

⁸ D.01-02-075 at pp.19-20; see also D.19-06-007.

Respectfully submitted,

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