

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



Order Instituting Rulemaking to Further
Develop a Risk-Based Decision-Making
Framework for Electric and Gas Utilities.

Rulemaking 20-07-013
(Filed July 16, 2020)

FILED

11/23/22

01:40 PM

R2007013

**COMMENTS ON THE PHASE II PROPOSED DECISION ADOPTING
MODIFICATIONS TO THE RISK-BASED DECISION-MAKING FRAMEWORK
ADOPTED IN DECISION 18-12-014 AND DIRECTING ENVIRONMENTAL AND
SOCIAL JUSTICE PILOTS**

STEVEN FRANK
PETER OUBORG

Pacific Gas and Electric Company
77 Beale Street
San Francisco, CA 94105
Telephone: (415) 971-5091
Facsimile: (415) 973-5520
E-Mail: steven.frank@pge.com

Dated: November 23, 2022

Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY

TABLE OF CONTENTS

I. DISCUSSION..... 1

 A. The Dollar Valuation of the Gas Reliability Attribute Should Allow for Updated
 Methods of Calculation 1

 B. Application of the Proposed Decision to Wildfire Mitigation Plans 2

INDEX OF RECOMMENDED CHANGES

Pacific Gas and Electric Company (PG&E) recommends the following changes to the Proposed Decision:

- Revise to allow alternative methods of calculation for reliability attributes; and

Clarify when this decision is intended to apply to the Wildfire Mitigation Plans

TABLE OF AUTHORITIES

CPUC Rules of Practice and Procedure

Rule 14.31

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

Order Instituting Rulemaking to Further
Develop a Risk-Based Decision-Making
Framework for Electric and Gas Utilities.

Rulemaking 20-07-013
(Filed July 16, 2020)

**COMMENTS ON THE PHASE II PROPOSED
DECISION ADOPTING MODIFICATIONS TO THE
RISK-BASED DECISION-MAKING FRAMEWORK
ADOPTED IN DECISION 18-12-014 AND DIRECTING
ENVIRONMENTAL AND SOCIAL JUSTICE PILOTS**

Pacific Gas and Electric Company (PG&E) submits these comments on the November 3, 2022 Proposed Decision on Modifications to the Risk-Based Decision-Making Framework (Proposed Decision). These comments are submitted pursuant to Rule 14.3 of the California Public Utilities Commission’s (CPUC or Commission) Rules of Practice and Procedure. Phase II of this Rulemaking updates the requirements a utility must adhere to as it prepares its Risk Assessment and Mitigation Phase (RAMP) report. Phase II also seeks to introduce the exploration of Environmental and Social Justice issues into the RAMP through a Pilot Study and White Paper analysis.

PG&E generally supports the Proposed Decision. These comments address two issues (i) a recommended modification concerning methods of calculation of reliability attributes and (ii) clarification concerning when the Proposed Decision is intended to apply to the Wildfire Mitigation Plan (WMP).

I. DISCUSSION

A. The Dollar Valuation of the Gas Reliability Attribute Should Allow for Updated Methods of Calculation

In its August 8, 2022 Staff Proposal, the Safety Policy Division (SPD) included language regarding the Gas Reliability Attribute that allowed that “if the IOU can provide a value based on research, they should provide that research in their RAMP filing in support of their alternative

figure.”¹ This language is consistent with the Proposed Decision’s approach to the Electric Reliability attribute where the Proposed Decision allows a utility to “justify its choice of an alternative model by providing an analysis comparing the results of its preferred alternative model to the results using the ICE Calculator.”²

Regrettably, the Proposed Decision does not include SPD Staff’s alternative option for the Gas Reliability Attribute.³ That omission is also not consistent with the Proposed Decision’s treatment of the Electric Reliability Attribute, which allows for consideration of alternative models for valuation as long as the decision to use an alternative is justified.

Accordingly, PG&E respectfully requests that Conclusion of Law 19 and Ordering Paragraph 2(c) be clarified by adding the following sentence: “If applicable, each IOU shall justify its choice of an alternative model by providing an analysis comparing the results of its preferred alternative model to the results using the implied values.”

B. Application of the Proposed Decision to Wildfire Mitigation Plans

While the Proposed Decision is clear that the cost-benefit approach should be applied to General Rate Case cycles starting with PG&E’s 2024 RAMP filing, the Proposed Decision does not provide such clarity with respect to the WMPs. In prior comments, PG&E had suggested that these requirements should commence with PG&E’s 2025 WMP.⁴ PG&E requests clarification on this issue.

* * * * *

PG&E appreciates the opportunity to participate in this rulemaking and to provide these comments on the Proposed Decision.

¹ Staff Proposal p. 19

² Proposed Decision, p. 58

³ The Proposed Decision only states, “[w]e direct each IOU to apply a dollar value for gas reliability in the Cost-Benefit Approach based on the implied value from the IOU’s MAVF Risk Score calculation included in its most recent RAMP filing. (Proposed Decision, p. 36.)

⁴ PG&E’s August 29, 2022 Comments in response to the ALJ Ruling Providing Phase II Staff Proposal for Comments, p. 14

Respectfully Submitted,

By: /s/ Steven W. Frank
 STEVEN W. FRANK

Pacific Gas and Electric Company
77 Beale Street
San Francisco, CA 94105
Telephone: (415) 971-5091
Facsimile: (415) 973-5520
E-Mail: Steven.Frank@pge.com

Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY

Dated: November 23, 2022