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PRESS RELEASE Docket #: I.19-09-016

CPUC SETS SCOPE FOR PG&E INDEPENDENT SAFETY MONITOR

SAN FRANCISCO, Aug. 5, 2021 - The California Public Utilities Commission (CPUC) today set the selection process, scope of work, and schedule for an Independent Safety Monitor that will augment CPUC oversight of Pacific Gas and Electric Company (PG&E).

As a condition of approving PG&E's plan for exiting bankruptcy in May 2020, the CPUC ordered an Independent Safety Monitor that will be functionally equivalent to the Federal Monitor that was appointed as part of PG&E's probation in criminal court. The Independent Safety Monitor will augment the CPUC's oversight of PG&E's execution of real-time operations to ensure that the utility is focused on long-term outcomes that promote safety and reliability.

The Independent Safety Monitor is intended to help ensure that PG&E prioritizes and implements the highest level of risk reduction across all levels of the company, from senior officials to field personnel. The Independent Safety Monitor will also help oversee PG&E's safety related recordkeeping and record management systems and will support the CPUC's oversight so that modernization efforts that PG&E implements are informed by PG&E's prior failures and support the safe system construction, operation, and maintenance in PG&E's electric and natural gas lines of business. The Independent Safety Monitor's work will complement but not unnecessarily duplicate the safety oversight work of the CPUC or the Office of Energy Infrastructure Safety.

A Request for Proposals (RFP) will be issued seeking an Independent Safety Monitor for five years at a cost not to exceed \$5 million per year to be paid by PG&E's shareholders. The CPUC will review and select the Independent Safety Monitor from eligible candidates that respond to the RFP.



The CPUC's oversight of PG&E includes broad investigation and enforcement authority, examination of rates and costs, pressing for progress on the utility's efforts to reduce the risk of wildfire ignited by its equipment, ensuring safe execution of Public Safety Power Shutoffs, regulating the safety of the utility's natural gas system, and ensuring PG&E is progressing toward modernizing its electric grid. The Independent Safety Monitor will augment these oversight efforts.

The many actions the CPUC is taking to hold PG&E accountable for safely serving its customers include:

- Placed PG&E into the first step of an <u>Enhanced Oversight and Enforcement</u> process based on the company's failure to sufficiently prioritize clearing vegetation on its highest-risk power lines as part of its wildfire mitigation work in 2020.
- Directed PG&E to address its preparedness for Public Safety Power Shutoffs at a <u>public</u> <u>briefing</u>.
- Ordered PG&E to make enhancements to its Public Safety Power Shutoffs process.
- Directed PG&E to address its safety performance at a Safety Certification public briefing.
- Ordered PG&E to create a mobile app for customers to report electric infrastructure safety concerns.
- Continual monitoring of PG&E's safety enhancement actions ordered in a 2018-2020 natural gas system locate and mark investigation.
- Continual monitoring of PG&E's safety enhancement actions ordered in a 2017-2018 wildfires investigation.
- Ongoing monitoring and reporting of PG&E's safety culture ordered in a 2015 investigation following PG&E's 2010 natural gas transmission pipeline explosion in San Bruno.

The proposal voted on is available at

https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M397/K322/397322603.PDF.

The CPUC regulates services and utilities, safeguards the environment, and assures Californians' access to safe and reliable utility infrastructure and services. For more information on the CPUC, please visit <u>www.cpuc.ca.gov</u>.

