

File No. 220395

Committee Item No. 1

Board Item No. \_\_\_\_\_

# COMMITTEE/BOARD OF SUPERVISORS

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Board of Supervisors Meeting:

Date: July 7, 2022

Date: \_\_\_\_\_

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Prepared by: Jessica Perkinson

Date: June 30, 2022

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

1 [Accountability for California Safety Certificate Issuance for Pacific Gas & Electric]

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3 **Resolution urging Governor Gavin Newsom to halt the issuance of a safety certificate**  
4 **until Pacific Gas & Electric (PG&E) is held accountable for its actions.**

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6 WHEREAS, Pacific Gas & Electric (PG&E) equipment has caused devastating wildfires  
7 over the last nine years and faces civil and criminal actions from these fires; and

8 WHEREAS, Over the past five years, PG&E has been found responsible for  
9 devastating fires including the 2018 Camp Fire, the 2019 Kincade fire, the 2020 Zogg Fire,  
10 and the 2021 Dixie Fire; and

11 WHEREAS, On April 11, 2022, PG&E reached a settlement with several Northern  
12 California counties burned by wildfires sparked by faulty PG&E equipment, agreeing to pay  
13 just \$55 million, and their criminal charges will be dismissed in the 2019 Kincade Fire and  
14 none will be sought in the 2021 Dixie Fire; and

15 WHEREAS, The federal judge charged with overseeing PG&E issued a final report  
16 saying, “[...] PG&E has gone on a crime spree – setting at least 31 wildfires, burning  
17 nearly 1.5 million acres, destroying nearly 24,000 structures and killing 113 Californians – and  
18 will emerge from probation as a continuing menace to California;” and

19 WHEREAS, State Assembly Bill 1054 (2019), authored by Assembly Member Chris  
20 Holden, established the California Wildfire Safety Advisory Board, of which the purpose is to  
21 provide a source of money to pay or reimburse investor-owned utilities for eligible claims that  
22 result from a wildfire the companies are found responsible for, and provides utilities the ability  
23 to access a \$21 billion dollar state wildfire fund – partly paid for by ratepayers on their power  
24 bills – to reimburse PG&E for costs incurred; and

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1           WHEREAS, The initial safety certification issuance requires an approved wildfire  
2 mitigation plan, the applying utility to be in good safety standing, and established board safety  
3 committee with relevant safety experience, and board-level reporting; and

4           WHEREAS, The subsequent annual safety certifications require an approved annual  
5 wildfire mitigation plan plus additional reporting requirements, including implementation and  
6 reporting to the California Public Utilities Commission (CPUC) on wildfire mitigation plans,  
7 safety culture assessments, and board safety committee recommendations; and

8           WHEREAS, The safety certification, which is valid for 12 months, provides utilities with  
9 an easier burden of proof test to recover costs related to catastrophic wildfires; and

10          WHEREAS, The CPUC established the Enhanced Oversight and Enforcement Process  
11 in 2020 as a condition under the Reorganization Plan to allow PG&E to exit Chapter 11  
12 bankruptcy; where PG&E is escalated in a six-step process for repeated failures, where the  
13 final step authorizes the CPUC to revoke PG&E's operating license in California or Certificate  
14 of Public Necessity (CPCN); and

15          WHEREAS, State Senate Bill 350 (2020), authored by State Senator Jerry Hill, created  
16 Golden State Energy, which was created in the event PG&E fails to emerge from bankruptcy  
17 or fails to operate its gas and electricity services in a safe and reliable manner; and

18          WHEREAS, In January 2021, the Wildfire Safety Division confirmed Pacific Gas &  
19 Electric (PG&E) met the minimum wildfire safety certification requirements; and

20          WHEREAS, In April 2021, the CPUC decided the commission did not need to vote on  
21 PG&E's previously wildfire safety certificate, which means utility customer representatives  
22 might not be able to appeal the safety certificate to the courts; and

23          WHEREAS, In April 2021, the CPUC approved a resolution that placed PG&E in the  
24 CPUC's Enhanced Oversight and Enforcement Process, as the utility made insufficient  
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1 progress toward safety-related work on its electric infrastructure, including not sufficiently  
2 prioritizing tree trimming and removal work; and

3 WHEREAS, Oversight of the investor-owned utilities shifted from the CPUC to the  
4 Office of Energy Infrastructure Safety, created in July 2021, to separate the role of  
5 commission setting electricity rates from those overseeing safety practices; and

6 WHEREAS, Despite PG&E being found responsible for the 2021 Dixie Fire, which  
7 burned over 963,000 acres and is recorded as the largest single wildfire in California history,  
8 in January 2022, the Office of Energy Infrastructure and Safety quietly approved the  
9 company's safety certification; and

10 WHEREAS, The California State Auditor Report: Electrical System Safety - California's  
11 Oversight of the Efforts by Investor-Owned Utilities to Mitigate the Risk of Wildfires Needs  
12 Improvement, March 2022, found that the Energy Safety Office's mitigation plan approval  
13 process and the CPUC's audit process do not hold utilities sufficiently accountable; and

14 WHEREAS, Environmental justice advocates who were set to meet with Governor  
15 Newsom before the his administration approved PG&E's safety certificate called the decision  
16 a "license to burn;" now, therefore, be it

17 RESOLVED, That the Board of Supervisors of the City and County of San Francisco  
18 questions Governor Newsom and his administration's approval of PG&E's safety certification  
19 on January 2022 despite the company being found responsible for several devastating fires  
20 over the last five years, and demands answers; and, be it

21 FURTHER RESOLVED, That the Board of Supervisors of the City and County of San  
22 Francisco urges the Governor to hold PG&E accountable for its commitment to maintain their  
23 equipment, harden their wires to avoid sparking fires, and maintain adequate clearance of  
24 vegetation, especially as the state will likely face an early fire season this year; and, be it

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1            FURTHER RESOLVED, That the Board of Supervisors of the City and County of San  
2 Francisco urges the Governor to halt the issuance of safety certificate in 2023 and activate a  
3 study of Golden State Energy given repeated serious failures of PG&E to operate its gas and  
4 electricity services in a safe and reliable manner; and, be it

5            FURTHER RESOLVED, That the Board of Supervisors of the City and County of San  
6 Francisco hereby directs the Clerk of the Board to transmit a copy of this Resolution to the  
7 office of Governor Newsom and the Office of Energy Infrastructure Safety.

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