

File No. 220395

Committee Item No. 1

Board Item No. 44

## COMMITTEE/BOARD OF SUPERVISORS

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Committee: Government Audit and Oversight  
Board of Supervisors Meeting:

Date: July 7, 2022

Date: July 19, 2022

### Cmte Board

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- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
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- Grant Budget
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- Contract / Agreement
- Form 126 – Ethics Commission
- Award Letter
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- Public Correspondence

### OTHER

- PODER PGE Presentation
- ROP PGE Presentation
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Prepared by: Jessica Perkinson

Date: June 30, 2022

Prepared by: Jessica Perkinson

Date: July 15, 2022

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

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

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

2  
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.**  
5

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

25

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  
25

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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# Impacts of PG&E on SF Communities

Antonio Diaz, PODER  
Reclaim Our Power Leadership Team



**RECLAIM OUR POWER!**  
Utility Justice Campaign



# Pacific Gas & Electric is a Failing Utility

Massive wildfires are sparked every year by PG&E's crumbling equipment:

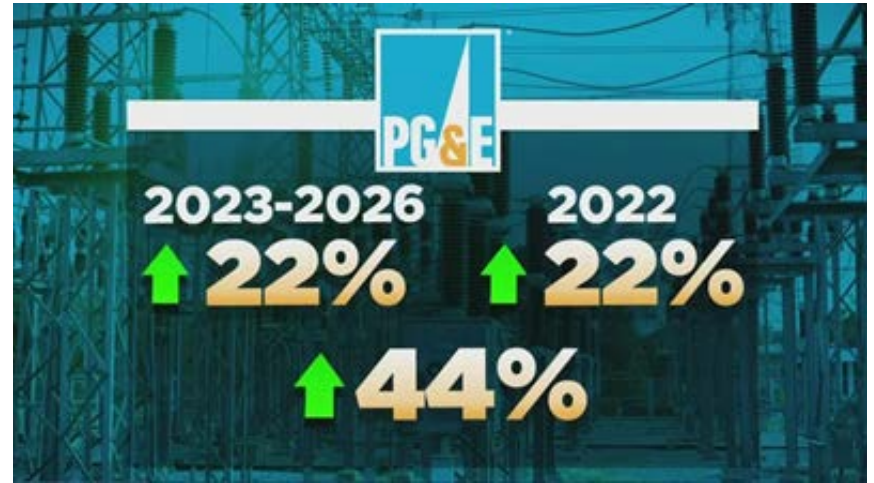
Fire	Cause	Acres Burned	Deaths
2015 Butte Fire	tree hitting PG&E power line	70,868	2
2018 Camp Fire	100 year old PG&E transmission equipment failure	153,336; Town of Paradise destroyed	85
2019 Kincade Fire	broken jumper cable on PG&E transmission line	77,758	0
2020 Zogg Fire	tree hitting PG&E transmission line	56,338	4
2021 Dixie Fire	tree hitting PG&E distribution line	963,309	1



Source: <https://www.fire.ca.gov/incidents>

# PG&E's Failures Cost Ratepayers

- Power shut offs put disabled, elderly, low income people of color at the highest risk
- Billions of dollars of unjustified wildfire mitigation costs as passed on to ratepayers
- Rising bills are making energy unaffordable for San Franciscans, while PG&E's CEO raked in \$50 million in 2021



Sources:

[Another Rate Hike For PG&E Customers](#)  
[PG&E's top boss harvests \\$50 million](#)





# We Are Lacking Accountability

- The Office of Energy Infrastructure Safety (OEIS) & the California Public Utilities Commission (CPUC) keep passing PG&E's Wildfire Mitigation Plans but the fires & shut offs keep happening
- Governor Newsom holds the keys to PG&E's "Safety Certificate" - letting it stay in business at the expense of ratepayers
- The California State Auditor report from March 2022 has criticized the inability of state agencies to address the failures of PG&E



# We Need the Governor to Act!

- San Francisco can lead the way in demanding real leadership by the state to protect our communities
- Urge Governor Newsom to reject PG&E's "License to Burn" and enact Golden State Energy
- Urge the CPUC & OEIS to hold PG&E accountable to stop the fires & shut offs for good

**Please support resolution 220395**

Questions?

# Energy Democracy for the People, not Corporations

Jessica Tovar, Local Clean Energy Alliance  
*Reclaim Our Power Leadership Team*



**RECLAIM OUR POWER!**  
Utility Justice Campaign



LOCAL  
**CLEAN  
ENERGY**  
ALLIANCE

# The Governor Keeps Letting PG&E off the hook

PG&E

PG&E quietly declared 'safe company' by Gov. Newsom's administration after sparking CA wildfires

ABC10 ORIGINALS

## Newsom's office crafted law protecting PG&E after company's crimes killed 84 people | FIRE - POWER - MONEY Investigation

Documents reveal how California Gov. Gavin Newsom protected PG&E after the company caused deadly fires and pleaded guilty to the felony killing of 84 people.

**2019** - Governor Newsom rams through AB 1054, PG&E's bailout legislation

**2020** - Newsom promises to end "PG&E as we know it" - then enables PG&E to exit bankruptcy

**2021** - PG&E's "wildfire plan" approved by Newsom and CPUC, despite 60 documented failures

**2022** - Newsom declares PG&E "safe", grants safety certificate to keep company in operation



## Where We're At Today

- Wildfire mitigation plan - utilities required to submit plan, approved by CPUC (California Public Utilities Commission)
- Safety certificate - utilities must have an approved plan to receive a safety certificate, which allows them to use ratepayer funding to pay for damages from a wildfire they have caused
- Oversight - CPUC and OEIS (Office of Energy Infrastructure Safety) - However, a state audit found the Office does not require utilities to outline in their plans where mitigation activities will occur



## Golden State Energy - We Need a Solid Plan

- SB 350 (2020) by State Senator Jerry Hill created Golden State Energy (GSE)
- GSE was created as a “Plan B” if PG&E failed to emerge from bankruptcy or if the utility fails to operate its gas and electricity services in a safe and reliable manner
- GSE has no funding, staff, or structure, and therefore is not able to succeed in the event that PG&E fails

# We Need to Make Golden State Energy a Reality

## *Only We Can Democratize Energy*

**Reclaim Our Power is requesting Newsom allocate \$1M in 2022-23 state budget to initiate Golden State Energy**

*“California must begin planning now to ensure that workers, environmental justice communities, people with disabilities, and other impacted communities are at the center of this transition to a renewable, safe, reliable, affordable, energy provider.”*

- *Reclaim Our Power, 2022 budget request*





# Questions?

