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

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

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

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

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

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

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

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

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

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

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

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

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

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

WHEREAS, In April 2021, the CPUC approved a resolution that placed PG&E in the CPUC's Enhanced Oversight and Enforcement Process, as the utility made insufficient

progress toward safety-related work on its electric infrastructure, including not sufficiently prioritizing tree trimming and removal work; and

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

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

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

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

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

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

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

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



## City and County of San Francisco Tails

City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

## Resolution

File Number: 220395 Date Passed: July 19, 2022 Resolution urging Governor Gavin Newsom to halt the issuance of a safety certificate until Pacific Gas & Electric (PG&E) is held accountable for its actions. July 07, 2022 Government Audit and Oversight Committee - RECOMMENDED July 19, 2022 Board of Supervisors - ADOPTED Ayes: 11 - Chan, Dorsey, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton File No. 220395 I hereby certify that the foregoing Resolution was ADOPTED on 7/19/2022 by the Board of Supervisors of the City and County of San Francisco. Angela Calvillo Clerk of the Board Unsigned 7/29/22 London N. Breed **Date Approved** Mayor

I hereby certify that the foregoing resolution, not being signed by the Mayor within the time limit as set forth in Section 3.103 of the Charter, or time waived pursuant to Board Rule 2.14.2, became effective without her approval in accordance with the provision of said Section 3.103 of the Charter or Board Rule 2.14.2.

Angela Calvillo Date
Clerk of the Board