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COMPANY

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

PACIFIC GAS AND ELECTRIC COMPANY,

Defendant.

Case No. 14-CR-00175-WHA
**RESPONSE TO REQUEST FOR
INFORMATION REGARDING
PROBATION CONDITIONS**

Judge: Hon. William Alsup

1 Defendant Pacific Gas and Electric Company (“PG&E”) respectfully submits this
2 response to the Court’s December 20, 2019 order requesting that PG&E file a statement of
3 compliance regarding two of the conditions of probation imposed by this Court on April 3, 2019.
4 (Order Adopting New Conditions of Probation, dated April 3, 2019 (Dkt. 1040).)

5 **INTRODUCTION**

6 PG&E’s highest responsibility is the safety of its customers and the communities
7 it serves. In 2019, PG&E implemented a comprehensive Wildfire Safety Plan that further
8 expanded and enhanced the additional safety precautions PG&E began implementing in response
9 to the 2017 and 2018 wildfires to address the growing threat of extreme weather and wildfires
10 across its service area. Those expanded efforts have been aggressive and wide-ranging and
11 include further enhancing vegetation management around power lines, enhancing and
12 accelerating safety inspections of electric infrastructure in high fire-threat areas, and hardening
13 its electric system. PG&E also expanded its Public Safety Power Shutoff (“PSPS”) program,
14 which de-energizes power lines when warranted by forecasted weather and fire danger
15 conditions. As a result of that expansion, all electric lines that pass through elevated and extreme
16 fire-threat areas (including high-voltage transmission lines) are considered for proactive de-
17 energization according to a risk-based methodology.

18 In 2019, PG&E implemented eight power shutoffs, including both transmission
19 and distribution lines, in a fire season that began in June and extended through late November.
20 During the patrols and safety inspections after these safety shutoffs, PG&E identified hundreds
21 of instances of wind-related damage and hazards. As previously reported to this Court, PG&E
22 has determined that a significant number of instances of vegetation or infrastructure damage
23 likely would have caused arcing if the lines had been energized.

24 PG&E recognizes that it has more work to do to continue to improve its
25 vegetation management and other wildfire mitigation programs, including further steps to lessen
26 the hardship of PSPS events to the extent possible. At the same time, PG&E has made
27 significant progress in enhancing its readiness and responsiveness to the increased threat of
28

1 potential wildfires across its service territory. The number of utility-caused wildfires in high
2 fire-threat areas of PG&E's service territory declined materially in 2019 and there was no repeat
3 of the deadly catastrophic wildfires that devastated Northern California in 2017 and 2018. Most
4 significantly, there was not a single utility-caused wildfire in its service territory that led to a loss
5 of life. Moving into 2020 and beyond, PG&E is working to sustain and build on this progress for
6 the benefit of all Californians while minimizing disruption to customers to the extent possible.

7 **I. PG&E Statement Regarding Condition 1**

8 Condition 1 states: "PG&E must fully comply with all applicable laws
9 concerning vegetation management and clearance requirements, including Sections 4292 and
10 4293 of the California Public Resources Code, CPUC General Order 95, and FERC FAC-003-4."

11 As stated in prior submissions, due to the size of its service territory, the dynamic
12 environment that PG&E power lines run through and other legal and practical limitations, PG&E
13 is unable to certify that it is in perfect compliance with all applicable regulations at any specific
14 point in time, including the time of this submission. PG&E's system includes approximately
15 100,000 miles of overhead transmission and distribution lines across a service territory of
16 approximately 70,000 square miles that contains tens of millions of trees that could come into
17 contact with its lines. Moreover, the natural environment through which PG&E's lines traverse,
18 spanning forests, mountains, coasts and deserts, is dynamic, and conditions can and do change on
19 a daily basis. A tree that was compliant at the time of a prior inspection might become a non-
20 compliant hazard tree one day later when it is damaged by a natural event or human intervention,
21 including lightning strikes, car accidents, ground disturbances and extreme weather, or three
22 months later after a bark beetle infestation has taken hold. PG&E has developed an extensive
23 program of inspection and maintenance to identify those trees that need to be removed or pruned
24 under federal and state laws and regulations, as well as PG&E's own standards (which in certain
25 respects exceed federal and state requirements), but it is unable to monitor every tree that could
26 contact its lines at every moment. Perfect compliance would require nothing less than round-the-

1 clock surveillance of all trees within striking distance of PG&E's equipment to identify and abate
2 any hazard as soon as it arises.

3 While the scope and dynamic nature of PG&E's service territory means that
4 PG&E is unable to certify perfect compliance with all applicable laws concerning vegetation
5 management and clearance requirements at all times, PG&E recognizes the importance of proper
6 vegetation management in reducing wildfire risk and is taking a comprehensive, multi-pronged
7 approach that aims to achieve as close to the standard of perfect compliance as feasible. In
8 addition to its comprehensive routine vegetation management program, PG&E has expanded
9 existing specialized vegetation management programs and implemented an Enhanced Vegetation
10 Management ("EVM") program to address increasing fire risk. PG&E also has in place quality
11 control and assurance programs to assess the effectiveness of these efforts over time and correct
12 any deficiencies that are identified. (*See* PG&E's Response to Order to Show Cause Why
13 PG&E's Conditions of Probation Should Not Be Modified, dated January 23, 2019 (Dkt. 976) at
14 34-36; PG&E's Response to Request for Information, dated February 22, 2019 (Dkt. 1016) at 9-
15 12; Pacific Gas and Electric Company Amended Wildfire Safety Plan, dated February 6, 2019 at
16 70-80.) PG&E provides below a report on its programs for 2019 to maintain vegetation-to-line
17 clearances, and radial clearances around poles, pursuant to California Public Resource Code
18 Sections 4292 and 4293, CPUC General Order 95 Rule 35, and NERC Reliability Standard FAC-
19 003-4.

20 A. Vegetation Management Programs Designed to Meet Regulatory Standards

21 **Routine Vegetation Management:** PG&E's routine vegetation management
22 program is designed to cover all of PG&E's approximately 81,000 miles of overhead distribution
23 lines and approximately 18,000 miles of overhead transmission lines. For its distribution lines,
24 PG&E pre-inspectors patrol to identify trees that are not in compliance with legal requirements
25 or PG&E standards at the time of inspection or that might not remain in compliance for
26 approximately one year thereafter. PG&E contractors then perform work to correct issues
27 identified during those patrols, including removing hazardous vegetation such as dead or dying
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1 trees that pose a potential safety risk, creating the required radial clearances of 4 feet and, where
2 necessary to prevent encroachment, creating clearances of 12 feet or more at the time of pruning
3 for lines in High Fire-Threat District (“HFTD”) areas for year-round compliance and risk
4 reduction.

5 For its transmission lines, PG&E uses Light Detection and Ranging (“LiDAR”) technology to detect encroachments on rights of way or spans where trees have the potential to
6 contact transmission lines in the event of failure. For any such trees that are identified, PG&E
7 policy requires a subsequent ground inspection to assess the health of the identified trees and to
8 determine if pruning or removal was necessary.
9

10 Through these routine system-wide inspections, PG&E inspected all of its overhead transmission lines and approximately 99% of its overhead distribution lines.¹
11 Following those inspections, PG&E completed work on more than one million trees in 2019. As
12 of the time of this filing, PG&E records indicate that there are approximately 22,000 trees that
13 PG&E has identified as being either hazard trees or within the four-foot radial clearance area for
14 which work has been prescribed but not yet confirmed as complete. This figure includes work
15 that has been delayed because of environmental issues, permitting requirements and customer
16 refusals, as well as work identified by inspections in late 2019 that has not yet been addressed in
17 the ordinary course of business.² Because there is a lag between the time tree work is completed
18
19

20 ¹ Routine patrols of approximately 850 miles of distribution lines originally scheduled for
21 late 2019 were shifted to be completed in early 2020 in order to focus resources on the
22 completion of higher priority CEMA and EVM work. Approximately 105 of those line miles
23 were subject to EVM patrols in 2019. PG&E has begun routine patrols of approximately 165
24 miles of those miles and expects to complete its patrols of all 850 miles by February 29, 2020.

25 ² Section 4295.5(a) of the Public Resource Code authorizes PG&E to enter private property
26 to identify and address hazard trees. However, Section 4295.5(b) provides that this authorization
27 does not exempt PG&E from liability for damages (including treble damages) for the removal of
28 hazard trees or other vegetation that is located on private property outside of PG&E’s easement.
PG&E provides notice to private property owners of work it intends to conduct to abate any risk
identified on their property, regardless of whether it has an easement. Where a property owner
refuses that work, PG&E tries to persuade the property owner to grant permission to proceed. If

1 and the time PG&E contractors submit paperwork confirming completion, PG&E expects that
 2 once that paperwork is submitted, its records will reflect that many of those trees were worked
 3 within PG&E's standard work completion timeframes.

4 In addition, PG&E has implemented Quality Control ("QC") reviews and Quality
 5 Assurance ("QA") audits as two layers of quality checks to assess work performed by pre-
 6 inspectors and tree workers, identify any corrective actions and further compliance. (*See Pacific*
 7 *Gas and Electric Company's Report in Response to Attachment B of the Commission's Order*
 8 *Instituting Investigating and Order to Show Cause, No. I-19-06-015, filed June 27, 2019,*
 9 *at 10-12.')*³ Non-compliances identified during QC reviews and QA audits were referred to the
 10 Vegetation Management Operations team for corrective action.

11 **Vegetation Control ("VC") Program:** To comply with Public Resource Code
 12 ("PRC") Section 4292's requirement to maintain clearances around utility poles in State
 13 Responsibility Areas with equipment that may generate electrical arcs, sparks or hot material
 14 during normal operation ("non-exempt equipment"), PG&E inspects and removes all flammable
 15 material within a 10-foot radius at the base of such poles.

16 As with its vegetation management program, PG&E's QC contractor conducts
 17 QC reviews on an ongoing basis as work is completed to further monitor compliance with PRC
 18 Section 4292. PG&E also performs annual QA audits of VC work on a random sample of line
 19 miles taken from all overhead distribution lines in PG&E's system. Those audits are conducted
 20 by QA contractors overseen by PG&E employees. Non-compliances identified during QC

21 _____
 22 the property owner continues to refuse, PG&E will still proceed if the work is within PG&E's
 23 easement. For work outside of PG&E's easement, PG&E is working on a process under which
 24 PG&E makes a case-specific, risk-based determination as to whether to conduct the work over
 the private property owner's objection or take other action.

25 ³ In addition to formal processes such as QC and QA, PG&E fosters a "Speak Up" safety
 26 culture, which encourages employees and contractors to identify any irregularities, deficiencies
 27 or potential misconduct they see in any of PG&E's programs, including all vegetation
 management programs. PG&E investigates all issues identified including, where appropriate,
 conducting internal investigations in close coordination with the Federal Monitor.

1 reviews and QA audits were referred to the Vegetation Control Pole Clearing team for corrective
2 action.

3 B. Enhanced Vegetation Management Initiatives

4 To further enhance the safety of its system, PG&E has also adopted a series of
5 programs to implement additional vegetation management measures in areas of higher risk.
6 Those programs and the relevant 2019 metrics are described below.

7 **Catastrophic Event Memorandum Account (“CEMA”) Program:** Since
8 2014, PG&E has performed additional ground and aerial patrols of lines in high fire-threat areas
9 as one element of its Drought and Tree Mortality Response Program, commonly referred to as
10 the CEMA program, implemented in response to severe drought conditions in California. The
11 CEMA program currently covers all distribution lines in HFTD areas. In 2019, PG&E
12 completed CEMA patrols on tens of thousands of distribution line miles, representing
13 approximately 81 percent of the originally planned CEMA inspections on a mileage basis in
14 2019. For the line miles within the scope of the CEMA program that did not receive a separate
15 CEMA patrol in 2019, PG&E may perform an additional mid-cycle inspection in 2020
16 depending on, among other things, the time between the last routine inspection in 2019 and the
17 next scheduled routine inspection.

18 **Reliability Program:** For more than a decade, PG&E has been performing
19 targeted ground patrols of distribution lines in areas with a higher incidence of vegetation-related
20 outages and wires down based on historical outage data. While these patrols focus on reliability,
21 they provide an additional check of lines where vegetation damage has been known to occur and
22 therefore serve as another opportunity to identify and address potential hazards that could lead to
23 an ignition. As part of this program in 2019, PG&E patrolled approximately 206 line miles and
24 identified approximately 2,100 trees for pruning or removal that was not required by regulations,
25 of which approximately 1,440 have been completed to date.

26 **Enhanced Vegetation Management (“EVM”) Program:** In 2019, PG&E also
27 conducted additional inspections and tree work as part of its EVM program to further reduce
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1 wildfire risk across the approximately 25,200 distribution line miles in PG&E’s service territory
2 that traverse Tier 2 and Tier 3 HFTD areas. Pursuant to the EVM program, PG&E creates 12
3 feet of radial clearance around conductors where necessary to prevent encroachment within the
4 required minimum of 4 feet of radial clearance; conducts overhang clearing (pruning to maintain
5 conductor-to-sky clearance above a zone extending 4 feet on either side of conductors, even
6 though applicable regulations permit overhangs); and completes high-risk tree work (identifying
7 trees tall enough to potentially strike power lines and addressing any that fail a risk-informed tree
8 analysis, even though applicable regulations require removal of only “[d]ead trees, old decadent
9 or rotten trees, [and] trees weakened by decay or disease” or dead, rotten, or diseased portions of
10 otherwise healthy trees that lean toward and may fall into lines).

11 The scale, scope and complexity of the EVM work have necessitated a multi-year
12 approach, with the pace to increase over time. In 2019, PG&E exceeded its commitment in its
13 Wildfire Safety Plan to clear overhanging vegetation and perform targeted tree species work on
14 approximately 2,450 distribution circuit miles in Tier 2 and Tier 3 HFTD areas, completing
15 EVM work on a total of approximately 2,500 line miles and working approximately 65,000 trees
16 along those line miles.

17 C. Notices from Regulators and the Monitor Relating to Vegetation Management

18 In 2019, PG&E received approximately 40 notices from regulatory agencies
19 relating to trees near its power lines, including 32 notices from CAL FIRE identifying a total of
20 75 potential violations. PG&E assessed each of those potential violations and took any
21 corrective action required to address the issues identified. The Monitor also has identified for
22 PG&E a number of potential vegetation management issues requiring attention over the course
23 of 2019. PG&E assessed each of the issues identified and took corrective action where
24 appropriate.

1 **II. PG&E Statement Regarding Condition 2**

2 Condition 2 states: “PG&E must fully comply with the specific targets and
3 metrics set forth in its wildfire mitigation plan, including with respect to enhanced vegetation
4 management. Compliance with these targets and metrics, however, will not excuse any failure to
5 fully comply with the vegetation laws as required in paragraph 1. For purposes of this condition,
6 the operative wildfire mitigation plan will be the plan ultimately approved by the CPUC.”

7 PG&E understands that meeting the commitments set forth in its Wildfire Safety
8 Plan is critical to the safe operation of its electric system. To that end, PG&E made it a top
9 priority in 2019 to meet the specific targets and metrics set forth in the plan, many of which
10 relate to the expansion and execution of the PSPS program, repairing high-priority conditions
11 identified during Wildfire Safety Inspection Program (“WSIP”) inspections of electric assets in
12 Tier 2 and Tier 3 HFTD areas, and other wildfire mitigation measures such as the EVM program,
13 system hardening and improved situational awareness.

14 PG&E identified 53 commitments made in the 2019 Wildfire Safety Plan that
15 necessitated tracking, assessing and reporting to the CPUC on the progress it has made toward
16 implementing the Plan. Those 53 commitments include but go beyond the 11 high-level targets
17 set forth in Section 6.2 of the Wildfire Safety Plan, titled Plan Performance and Evaluation. (*See*
18 *Pacific Gas and Electric Company Amended Wildfire Safety Plan, dated February 6, 2019 and*
19 *filed on February 14, 2019, at 131-36.*) PG&E is today submitting a report to the CPUC on its
20 progress toward meeting the 53 commitments as of December 31, 2019. That report is attached
21 as Exhibit A.

22 As detailed in the attached report, PG&E completed or exceeded 46 of the 53
23 commitments it set forth in its 2019 Wildfire Safety Plan. The following addresses the 7
24 commitments PG&E did not meet.

25 **Quality of WSIP Distribution Inspections:** In 2019, PG&E validated the
26 quality of WSIP transmission and distribution inspections and reported on findings that
27 represented a policy, procedure or standard non-conformance. For WSIP inspections of
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1 transmission and distribution assets, PG&E made it a target to achieve a 98 percent “meets
2 expectations” performance during these reviews. As of December 31, 2019, 96.7 percent of
3 audited WSIP distribution inspections had no high- or medium-risk findings and therefore
4 complied with the “meets expectations” performance rating. To mitigate any risk created by
5 missing this target, PG&E commissioned an independent third-party evaluation of its WSIP
6 inspections and is engaged in a quality assessment effort that includes thousands of re-
7 inspections.

8 **WSIP Distribution Corrective Actions:** PG&E completed 100 percent of its
9 WSIP inspections of distribution poles in HFTD areas in August 2019 and has completed almost
10 all of the high-priority corrective actions identified by those inspections. PG&E committed in its
11 Wildfire Safety Plan to complete its WSIP distribution inspections by May 31, 2019, and to
12 complete all high-priority corrective actions by June 30, 2019. As reported to the CPUC, PG&E
13 was unable to meet those commitments in full by those dates due to a combination of factors,
14 including inclement weather; the availability of equipment, materials and qualified personnel;
15 and legal and regulatory issues (such as objections from property owners or governmental
16 agencies and environmental permitting requirements).⁴ As of December 31, 2019,
17 approximately 96 percent of the more than 5,000 high-priority corrective actions were
18 completed, including all Priority Code A notifications. As of December 31, 2019, approximately
19 190 Priority Code B notifications (or approximately four percent of high-priority corrective
20 actions) remained open. PG&E was unable to complete much of this open work due to factors
21 beyond its control. To mitigate any risk arising from the inability to meet this target, PG&E
22 established and is implementing a risk-based prioritization approach to completing the remaining
23 work in 2020.

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26 ⁴ PG&E has provided the CPUC with periodic status updates on its WSP commitments,
27 including the status of its completion of inspections and high-priority corrective actions,
28 beginning May 2019.

1 **WSIP Transmission Corrective Actions:** PG&E completed visual *or* aerial
2 (helicopter or drone) inspections of 100 percent of its transmission poles and towers in HFTD
3 areas in May 2019, achieved 100 percent completion of visual *and* drone inspections of those
4 structures in December 2019, and completed substantially all of the high-priority corrective
5 actions identified by those inspections by the end of the year. PG&E committed in its Wildfire
6 Safety Plan to complete all WSIP transmission visual and drone inspections by May 1, 2019, and
7 to complete high-priority corrective actions identified by those inspections by May 31, 2019.
8 PG&E was unable to meet those commitments in full by those dates due to a combination of
9 factors, including inclement weather; the availability of equipment, materials and qualified
10 personnel; scheduling of outages required to perform work; and legal and regulatory issues (such
11 as objections from property owners or governmental agencies and environmental permitting
12 requirements). As of December 31, 2019, approximately 93 percent of the more than 5,000
13 high-priority corrective actions were completed, including all Priority Code A notifications.

14 A combination of factors led to the inability to complete the remaining
15 approximately 500 Priority Code B notifications as scheduled, including the timing of periods
16 during which PG&E was permitted to take lines out of service to perform required work and the
17 temporary diversion of resources to PSPS events. To mitigate any risk arising from the inability
18 to meet this target, PG&E established and is implementing a risk-based prioritization approach to
19 completing the remaining work in 2020. PG&E further notes that certain of the approximately
20 500 outstanding Priority Code B notifications are for conditions identified on currently out-of-
21 service lines that do not present an immediate public safety issue in their de-energized state.

22 **CEMA Inspections:** PG&E committed in its Wildfire Safety Plan to complete
23 all CEMA inspections within the CEMA program scope. As described above, PG&E completed
24 separate CEMA inspections for approximately 81 percent of originally planned CEMA
25 inspections on a mileage basis. For the line miles within the scope of the CEMA program that
26 did not receive a separate CEMA patrol in 2019, PG&E may perform an additional mid-cycle
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1 inspection in 2020 depending on, among other things, the time between the last routine
2 inspection in 2019 and the next scheduled routine inspection.

3 **Assessment of Trees with Strike Potential:** PG&E committed in its Wildfire
4 Safety Plan to assess more than 100 million trees with a potential strike path to PG&E power
5 lines during CEMA patrols in 2019. As noted above, PG&E completed separate CEMA
6 inspections for approximately 81 percent of all originally planned CEMA inspections on a
7 mileage basis in 2019.

8 **Quality of EVM Work:** PG&E committed in its Wildfire Safety Plan to perform
9 work verification on every mile of EVM work completed in the field in 2019, with a target of
10 achieving a 92 percent “meets expectations” performance in these reviews. The “first pass”
11 quality results of this work verification process were approximately 60 percent for the year. All
12 of the miles that did not pass the initial work verification were reworked and the reworked miles
13 were work-verified again and had to be found to “meet expectations” before being considered
14 complete. In October 2019, PG&E implemented an additional Quality Assurance review process
15 to assess the quality of the work verification process. PG&E sampled approximately 9 percent of
16 all EVM work completed in 2019 (approximately 230 miles of EVM work that had passed work
17 verification and were considered complete). These QA assessments found that approximately 98
18 percent of sampled work-verified miles that had been designated as complete had in fact been
19 properly assessed and worked according to company standard.

20 **PSPS Re-energization Strategy:** In its Wildfire Safety Plan adopted by the
21 CPUC, PG&E stated that it would “patrol all facilities de-energized during a PSPS event to
22 identify any damage that needs to be repaired before re-energizing”. That target has not been
23 met as originally framed because PG&E executed its PSPS re-energization strategy in a manner
24 different from that described in the Wildfire Safety Plan that the CPUC has adopted. As clarified
25 in PG&E’s second amendment to the Wildfire Safety Plan, submitted to the CPUC on April 25,
26 2019, PG&E’s current strategy is to patrol all lines that were identified as meeting PSPS de-
27 energization criteria before re-energizing following a PSPS event and to exercise operational
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1 judgment to determine whether to patrol lines that were interrupted only as a secondary effect of
2 the de-energization of other lines. PG&E followed that re-energization strategy after PSPS
3 events in 2019. At this time, the April 25, 2019 amendment to PG&E's Wildfire Safety Plan has
4 not been adopted by the CPUC.

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6 Dated: January 15, 2019

Respectfully Submitted,

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