

September 15, 2020

Rachel Peterson
Acting Executive Director
California Public Utilities Commission
505 Van Ness Avenue, Room 5223
San Francisco, CA 94102

Re: Implementation of the Catastrophic Event Memorandum Account for 2020 Statewide
Emergency Due to Fires, Extreme Weather Conditions (all counties in California)

Dear Ms. Peterson:

In accordance with Commission Resolution E-3238, dated July 24, 1991, and the associated currently effective tariff sheets (Electric Preliminary Statement Part G), PG&E hereby provides notice that PG&E is recording costs associated with the repair of facilities and restoration of service associated with the 2020 Statewide Emergencies issued, due to fires and extreme weather conditions, in the Catastrophic Event Memorandum Account (CEMA). The costs associated with these proclamations include repairs of Electric Distribution, Electric Generation and Gas Distribution & Transmission facilities and costs associated with the restoration of electric service with the dispatch of mobile temporary generation units.

PG&E is submitting this letter to preserve the option of filing an application for cost recovery under CEMA provisions at a later date. Details about the impacts are preliminary at this time given the ongoing response work. Initial figures for the repair and restoration costs associated with the effects on PG&E's facilities are provided in more detail below:

1. Disaster

On August 16, 2020, the Governor of the State of California, Gavin Newsom, declared a statewide emergency due to the effects of an Extreme Heat Event, which resulted in a significant demand and strain on California's energy grid as well as limiting energy imports from surrounding states. As a result of the Extreme Heat Event, the National Weather Service issued multiple Excessive Heat Warnings and Red Flag Warnings within the State while the California Independent Service Operator issued multiple Stage 2 and Stage 3 System Emergencies resulting in rolling blackouts for customers throughout the State. The Statewide Emergency proclamation was issued under the

California Emergency Services Act, and in particular, Government Code sections 8567, 8571, 8625 and 8627 and applies to all counties within California.

On August 18, 2020, Governor Newsom declared another statewide emergency due to fires burning statewide as a result of the extreme temperatures and widespread lightning strikes. The resulting fire conditions from the Extreme Heat Event and active fires burning throughout the state have rapidly spread, destroying or threatening homes and critical infrastructure, and are forcing the evacuations of thousands of residents. The Statewide Emergency proclamation was issued under the California Emergency Services Act and section 8625 of the California Government Code and applies to all counties within California.

2. Effects on PG&E's Facilities

PG&E's preliminary costs under these Statewide Emergency proclamations include costs related to the following:

- August 14, 2020 through August 20, 2020 Extreme Heat Event
- Various fires burning statewide, including:
 - CZU Lightning Complex Fire
 - River Fire
 - Jones Fire
 - LNU Lightning Complex Fire
 - Carmel Fire
 - SCU Lightning Complex Fire

In accordance with the August 18, 2020 Proclamation of a State of Emergency, there may be additional fires associated with the declaration beyond those specifically identified at this point in time.

As of August 31, 2020, the above-mentioned events are estimated to have damaged approximately 6,054 Electric Distribution facilities and 1 Electric Generation facility.

As of August 31, 2020, these events are estimated to have disrupted service to about 5,589,368 electric customers across PG&E's service territory.

3. Estimated Restoration Costs

Given that response work is ongoing, the restoration and repair estimates provided below are preliminary costs.

- For Electric Distribution, PG&E has incurred approximately \$68 million of repair and restoration costs as of August 31, 2020, of which \$39 million is related to capital and \$29 million is related to expense. Please note that the \$68 million

Rachel Peterson, Acting Executive Director
September 15, 2020
Page 3 of 3

includes costs related to PG&E's system hardening work that will ultimately be recovered in PG&E's GRC. Due to PG&E's Emergency Restoration and Rebuild process, PG&E is unable to delineate the CEMA and GRC amounts at this time. At a later date, PG&E will separate out the GRC portion before filing for CEMA recovery. PG&E Electric Distribution is unable to forecast the total estimated expense and capital restoration costs for this event. Therefore, these costs are preliminary.

- For Gas Distribution & Transmission, PG&E has incurred approximately \$418 thousand of incremental costs as of September 8, 2020, of which \$3 thousand is related to capital and \$415 thousand is related to expense.
- For Electric Generation, PG&E estimates it will incur approximately \$670 thousand of incremental costs, all of which is estimated to be expense related.
- For Energy Policy and Procurement, PG&E has incurred approximately \$3.7 million for the mobile temporary generation units dispatched in response to the State of Emergency Proclamations, all of which is expense related.

If you have any questions about this CEMA notice, please do not hesitate to contact me at (415) 973-4464 or by email at Erik.Jacobson@pge.com.

Sincerely,



Erik B. Jacobson
Director – Regulatory Relations

cc: Edward Randolph, Director, Energy Division
(via e-mail to EnergyDivisionCentralFiles@cpuc.ca.gov)