

PACIFIC GAS AND ELECTRIC COMPANY
Wildfire Mitigation Plans
Rulemaking 18-10-007
Data Response

PG&E Data Request No.:	CalAdvocates_056-Q03		
PG&E File Name:	WildfireMitigationPlans_DR_CalAdvocates_056-Q03		
Request Date:	June 4, 2021	Requester DR No.:	CalAdvocates-PGE-2021WMP-22
Date Sent:	June 9, 2021	Requesting Party:	Public Advocates Office
PG&E Witness:		Requester:	Alan Wehrman

The following questions relate to PG&E's 2021 Wildfire Mitigation Plan – Revised, submitted June 3, 2021.

QUESTION 03

PG&E states in response to Critical Issue PGE-06 that it “[p]lans to triple the work verification workforce by adding more than 200 quality inspectors to increase the ability to verify that vegetation management was completed to meet or exceed state and federal standards.”¹ However, according to Table 12, PG&E forecasts spending less in 2021 than it spent in 2020 on initiatives 7.3.5.13 “Quality assurance/quality control of vegetation inspections” and 7.3.5.14 “Recruiting and training of vegetation management personnel.”

- a) In 2020, PG&E's actual expenditures related to initiative 7.3.5.13 were \$11,695 K. In 2021, PG&E forecasts spending \$10,795 K, approximately \$900K less than 2020. Please state the basis for this reduction in projected expenditure, particularly in light of PG&E's plan to triple the work verification workforce as described above.
- b) In 2020, PG&E's actual expenditures related to initiative 7.3.5.14 were \$14 K. In 2021, PG&E forecasts spending \$13 K, approximately \$1 K less than 2020. Please state the basis for this reduction in projected expenditure, particularly in light of PG&E's plan to triple the work verification workforce as described above.
- c) What is PG&E's expected increase in 2021 vegetation management expenditures compared to 2020, related to its plans to triple its work verification workforce as described above?
- d) Please explain where in Table 12 the expenditures described in part (c) are recorded.

¹ PG&E's 2021 Wildfire Mitigation Plan – Revised, p. 689, June 3, 2021.

ANSWER 03

a)

- 2021 WMP percentage allocation assumptions were based off a combination of actual spend recorded through October in 2020 and a version of the 2021 budget for each vegetation program (Routine Transmission, Distribution, Enhanced, Tree Mortality).
- Percentage allocations to disaggregate the programmatic spend and forecast is static across each year. The primary driver of the spend difference between 2020 and 2021 is due to the decrease in forecasted Routine Distribution spend from \$736M to \$668M. This is reflected by a decrease in overall spend in initiative 7.3.5.13 – see the table below for reference.
- Work Verification costs also have been allocated to initiative 7.3.5.2, which is where the majority of the VM programmatic costs have been assigned. Please see the response to question 2 of this Data Request regarding the consolidation of initiatives in the 2021 WMP.

	2020					2021				
	Routine D	EVM	Tree Mort.	Routine T	Total	Routine D	EVM	Tree Mort.	Routine T	Total
System	\$736,320	\$454,705	\$87,805	\$120,611	\$1,399,441	\$667,892	\$535,516	\$67,542	\$143,228	\$1,414,178
Allocations	1.4%	0.1%	0.5%	0.4%		1.4%	0.1%	0.5%	0.4%	
Spend/Forecast	\$10,338	\$437	\$453	\$467	\$11,695	\$9,377	\$514	\$348	\$555	\$10,795

b)

- 2021 WMP percentage allocation assumptions were based off a combination of actual spend recorded through October in 2020 and a version of the 2021 budget for each vegetation program (Routine Transmission, Distribution, Enhanced, Tree Mortality).
- Percentage allocations to disaggregate the programmatic spend and forecast is static across each year. The primary driver of the spend difference between 2020 and 2021 is due to the decrease in forecasted Routine Distribution spend from \$736M to \$668M. This is reflected by a decrease in overall spend in initiative 7.3.5.14 – see the table below for reference.
- Work Verification costs also have been allocated to initiative 7.3.5.2, which is where the majority of the VM programmatic costs have been assigned. Please see the response to question 2 of this Data Request regarding the consolidation of initiatives in the 2021 WMP.

	2020					2021				
	Routine D	EVM	Tree Mort.	Routine T	Total	Routine D	EVM	Tree Mort.	Routine T	Total
System	\$736,320	\$454,705	\$87,805	\$120,611	\$1,399,441	\$667,892	\$535,516	\$67,542	\$143,228	\$1,414,178
Allocations	0.002%	0.000%	0.000%	0.000%		0.002%	0.000%	0.000%	0.000%	
Spend/Forecast	\$14	\$0	\$0	\$0	\$14	\$13	\$0	\$0	\$0	\$13

- c) PG&E's 2021 VM expenditures budgeted for the specific components of Work Verification and VM Inspectors is approximately \$90M above the 2020 spend.
- d) At the time allocations were being made on an initiative basis, this work was not yet approved. As such, it was being captured within initiative 7.3.5.2, which is where the majority of the VM programmatic costs were being assigned. Further, increases in 2021 budgeted work, such as work verification, are being offset by other programmatic savings (e.g., Defined Scope) which is keeping total VM spend relatively flat across the 2 years.