

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Raymond Riordan
Director

**SUBJECT: PACIFIC GAS AND ELECTRIC
OUTAGES AND INFRASTRUCTURE
REPAIR UPDATE**

DATE: May 23, 2023

Approved



Date

5/28/23

INFORMATION

Ensuring the public safety of our residents and continuity of essential services remain a high priority during power outages.

This memorandum provides an update on the progress made in the City's coordination with Pacific Gas and Electric (PG&E) and understanding the complexities of the electrical grid, following the longest cycle of power outages last year during the heat wave of September 2 – 9, 2022.

BACKGROUND

On September 14, 2022, the Joint Meeting for the Rules and Open Government Committee directed the City Manager to have staff meet with the technical staff of PG&E to:

- Identify and discuss critical local power distribution needs in San José, and
- Ensure that PG&E prioritizes those needs in its pending replacement and repair plan for the coming year.

If action was not taken to adequately respond, the City Manager is to work with the City Attorney's Office to identify appropriate legal action options.

ACTIONS

Since September 2022, the City of San José staff have met four times with PG&E management and technical staff to review the causes of power failure that affected two hospitals and nearly 100,000 residents. The goals of these sessions have been to:

1. Reinforce the importance of the City of San José to PG&E.
2. Reinforce a positive relationship between the City and PG&E in planning and response to emergencies.
3. Improve customer satisfaction with residents who have been impacted by the repeated outages; and

4. Foster discussions around investments needed to ensure greater service reliability.

Both parties made progress in these four areas, with room for additional enhancements. City management reached out mid-September to set expectations and identify specific time to work through the myriad of issues related to the outages at the time.

1. Reinforce the importance of the City of San José to PG&E.

As the largest customer in the PG&E territory, PG&E has been responsive. Vice President for the South Bay and Central Coast from PG&E, Teresa Alvarado, responded to Kip Harkness, Deputy City Manager from San José. Both assembled teams to review the outages, response operations, infrastructure condition, and coordination and communications with the City.

The PG&E representatives and City leadership have met formally four times to understand the response operations deployed by PG&E, understand the new infrastructure designed to reduce potential to ignite fires, and the sensitivity of the designed [Enhanced Powerline Safety Settings](#). In brief, PG&E installed switches that trigger when interrupted by branches hitting the powerlines. Rather than spark and potentially cause fires, the switches turn off the powerlines in a specified area. Deployment of the [Enhanced Powerline Safety Settings](#) systems has reduced reportable ignition events by roughly 75% throughout PG&E's system. While designed to enhance safety, the EPSS sensitivity resulted in power outages unnecessarily affecting some urban areas, specifically on a line that was connected into parts of Almaden Valley. PG&E committed to investigate how to adjust the [Enhanced Powerline Safety Settings](#) to reduce the outages. PG&E is to return to the City to discuss how the system has been modified to not trigger as frequent and extended outages.

2. Reinforce a positive relationship between the City and PG&E in planning and response to emergencies.

The frequency of meetings has resulted in improved responsiveness and understanding of the electrical system and the critical operations of the City. The improved understanding and coordination were noticed in the response to the January storms. PG&E developed new response plans based on the improved technological investments in meteorological forecasting abilities and system responsiveness. During the height of response to the nine Atmospheric Rivers that battered the Bay Area in January, PG&E was able to minimize the duration of outages in the City to less than 24 hours. It should be noted that this issue is not localized to San Jose. PG&E remains in the fourth quartile of all US utilities for both frequency and duration of distribution outages.

Using mutual aid and calling in resources from as far as the Canadian border to the north and as far as Florida from the east and utilities in between, PG&E had additional crews ready to help reduce the weather impacts. The longest outages were due to washed out

roads which the heavy equipment could not pass, which were limited. The increased capabilities of the response crews were able to mostly maintain power needs throughout San Jose.

To continue this relationship, PG&E has invited the City to participate in training and exercises from January through August, including seismic, Public Safety Power Shutoff, and fire scenarios to improve our coordination during future emergencies. These exercises and trainings benefit both the City employees as well as PG&E to enhance capabilities on both sides of the response teams.

3. Improve customer satisfaction with residents who have been impacted by the repeated outages.

In response to the September outages, PG&E reached out to City Councilmembers whose districts were affected to hold community workshops to explain the cause of the outages, communicate with residents, and enhance understanding of those with medical devices that require electrical power. PG&E improved their notification of customers who require assistance with community nonprofit agencies to support alternate power sources when outages occur. PG&E also communicated with the City Emergency Operations Center and the Emergency Public Information Officer team.

The upcoming exercises planned by PG&E will include crisis communications to enhance communications with San José residents on what to expect when emergencies occur, and power is disabled. Residents were also informed on how to collect reimbursement for loss of food and other necessities.

4. Foster discussions around investments needed to ensure greater service reliability.

During the four workshops with PG&E, both the City and PG&E discussed the need to dramatically increase investments to ensure reliability. This is the hardest and most complex need in the improving relationship with PG&E. Over the next year additional discussions will take place on how to improve the reliability of the electrical grid. Further joint meetings will focus on topics such as improved load forecasting that looks at a longer time horizon and considers the realities of future planned development and climate change and exploring opportunities for partnerships in accelerating the build out of critical electrical infrastructure. PG&E's request for funding through 2026 for transmission and distribution capital investment in their California Public Utilities Commission General Rate Case is not sufficient to finance currently approved projects much less support new initiatives. The reality is that PG&E's electrical distribution infrastructure in San Jose is aging, designed for a cooler climate, and inadequate to meet the load that will be required as we transition to renewable energy and electric vehicles. The City must find a path to ensuring that San Jose has the safe, reliable, modern, at scale electrical grid that our community needs and deserves.

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/s/

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