GOVERNOR NEWSOM'S WILDFIRE SAFETY AND POWER COMPANY ACCOUNTABILITY ACTIONS

Two days after Governor Newsom's election on November 8, 2018, two fires broke out in California. The Camp Fire swept through Paradise, destroying most of the town. In Southern California, the Woolsey Fire destroyed over 1,600 structures. Eighty-eight people lost their lives in these two fires. All told, they caused billions of dollars in damage, and the Camp Fire led to the bankruptcy of state's largest utility just two months later.

Within weeks of taking office, the Governor convened a strike force to identify causes and recommend solutions regarding the destabilization of our energy sector in the context of catastrophic fires.

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A confluence of climate change, drought, extreme tree mortality, unrestrained development in wildfire prone areas and decades of mismanagement of our largest investor-owned utility has set the stage for catastrophic wildfires.

Decades of fire suppression has also disrupted the natural fire cycle, increasing the risk of catastrophic wildfires. As risk of wildfires has increased, more Californians have moved into harm's way: 11 million Californians now live in the high fire risk areas. Adding to these conditions, decades of mismanagement at our largest utility has left our electric infrastructure in disrepair and at high risk of igniting wildfires.

This is a problem decades in the making, and it will take time to make our communities resilient to fire risk.

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The Governor's action encompass five elements to bolster fire prevention and emergency response capacity and increase utility system safety. It involves all levels of government, communities, utilities and all California residents.

1. New Investments And State Action to Prevent Wildfires
2. Catalyzing Advanced Fire Technology
3. New Investments and Actions to Help Communities Prepare for Disasters
4. New Investments and Actions on Emergency Response
5. Strengthening Safety Rules and Enforcement on Public Utilities

NEW INVESTMENTS & STATE ACTION TO PREVENT WILDFIRES

The Governor's first and highest priority is to reduce the number and severity of catastrophic wildfires in California.

Despite the challenge presented by federal ownership of 57 percent of California's forest lands, the Governor has directed immediate, medium-term, and long-term actions to prevent wildfires and improve forest health, particularly focused on vulnerable communities in the most fire-prone areas of the state.

In his first days in office, the Governor issued an Executive Order to expedite critical fuel break and forest health projects to protect vulnerable communities. The Governor's first budget contained $1 billion in funding for forest health, fuel reduction and protection for 200 of California's most fire-vulnerable communities. These actions will double the number of forest acres treated annually and triple the number of prescribed burns. The Governor also deployed the California National Guard to assist CALFIRE with emergency hazardous fuels-management projects.

CATALYZING INVESTMENTS IN ADVANCED FIRE TECHNOLOGY

New technologies, such as artificial intelligence, satellite imagery, drones and fire modeling present huge opportunities to better detect, prevent and respond to wildfires. The state is catalyzing public and private research and investment into advanced fire technologies.

This includes:

- The Innovation Procurement Sprint to get the most cutting-edge tools into the field
- Partnering with XPRIZE for an incentive prize for innovation
- CalGuard's infra-red equipped Unmanned Aerial System in support of CALFIRE missions
- Satellite-based technology to detect wildfire ignitions
- New Weather Fusion Center (SB 209, Dodd)

NEW INVESTMENTS & ACTIONS TO HELP COMMUNITIES PREPARE FOR DISASTERS

Catastrophic wildfires pose life-threatening challenges for many communities around the state. The Governor's budget makes vital investments in resilience to help prepare communities for man-made and natural disasters, including $75 million to help communities prepare for utility Public Safety Power Shutoffs with backup power. He has also invested $50 million in Listos California, an Emergency Preparedness Outreach Campaign. The budget also included tens of millions of dollars in funding to modernize the state's 9-1-1 system.

NEW INVESTMENTS AND ACTIONS ON EMERGENCY RESPONSE

Firefighters in California are encountering unprecedented wildfires. They are larger, faster moving and harder to control than ever before. Ten of the state's most destructive wildfires have occurred since 2015. The Governor's actions include increased investments in new technologies, equipment and firefighting resources to match the challenge.

- Acquisition of C-130 Air Tankers
- 12 twenty-first century Blackhawk firefighting helicopters
- Advanced communication technology for first responders
- Fire detection cameras
- Disaster Reserve Corps and expanded surge capacity
- Pre-positioning equipment and personnel

STRENGTHENING UTILITY SAFETY RULES AND ENFORCEMENT

Our state's utilities must make investments to harden their systems and deploy new technologies that reduce wildfire ignitions. In July, the Governor signed AB 1054, building on the work of his energy strike force. It established new rules, incentives and penalties to ensure that California's electric utilities prioritize safety and make investments to make their power grids safe. AB 1054 included the following requirements:

- Strengthens enforcement of utilities wildfire prevention activities with boots on the ground enforcement audits.
- Requires utilities to invest in wildfire prevention and eliminate shareholder profit on $5 billion of safety investments.
- Requires utilities to tie executive and management compensation to safety and to have a safety committee on their board of directors.
- Utilities cannot access a new wildfire liability fund unless they meet safety standards.
- Created a new wildfire safety division at the CPUC to oversee utility wildfire mitigation plans and hold utilities accountable to make safety investments.
- Created the California Wildfire Safety Advisory Board, a panel of world-class experts in wildfire risk and utility infrastructure, to ensure the strongest possible standards are put in place, and the utilities are held to them.
- Requires utility wildfire mitigation plans to be forward looking (three-year planning cycle), and subject to annual review.

CORPORATE GOVERNANCE & SAFETY CULTURE AT PG&E

The state's largest investor-owned utility, PG&E, is in bankruptcy and on criminal probation after decades of mismanagement and safety violations. The Governor has called for transformative change distinct from the governance and culture of PG&E. AB 1054 gives the CPUC a strong voice in ensuring that transformation occurs. AB 1054 calls for an exit from bankruptcy before next year's fire season. The exit must be financially neutral to ratepayers, must fairly compensate fire victims, and must meet clean energy goals.

The CPUC must ensure that PG&E's bankruptcy results in a completely different company – one that is focused on safety, ratepayers' interests, and meeting climate change goals.