

Docket No.: R. 24-01-018

Exhibit No.: CLC-01

Date: December 9, 2024

Witness: Ben Schwartz

**DIRECT TESTIMONY OF THE CLEAN COALITION
ON PACIFIC GAS & ELECTRIC'S MOTION TO REVISE
2025 AND 2026 ENERGIZATIONS COST CAPS**

Table of Contents

I. INTRODUCTION.....1-2

II. PG&E DOES NOT PROPOSE STAFFING INCREASES TO MEET THE
ENERGIZATIONS BACKLOG.....1-2

III. CONCLUSION.....2

1 **I. INTRODUCTION**

2 Pursuant to the Rules of Practice and Procedure of the California Public Utilities
3 Commission (“the Commission”), the Clean Coalition submits this rebuttal testimony in
4 response to Pacific Gas & Electric’s (“PG&E”) Motion to Revise 2025 and 2026
5 Energization Costs, served on October 4, 2024, the Assigned Commissioner’s Amended
6 Scoping Memo and Ruling, served on October 18, 2024, and the Email Ruling Amending
7 the Ratesetting Schedule Related to PG&E’s October 4, 2024, served on November 20,
8 2024, The Clean Coalition submits this direct testimony to raise questions about how the
9 proposed funding will be used to amplify the number of PG&E staff available to reduce the
10 existing energizations backlog. PG&E’s motion and accompanying documents are very clear
11 about the number of energizations (called “jobs” in the motion) that will be completed with
12 the increased funding and offering reasonable variables that result in jobs taking longer than
13 initially expected due to the customer, utility, and market factors. However, we are
14 concerned that such a significant funding increase is only being described as a temporary
15 infusion solely needed to address the existing backlog, not to bolster the system or prepare
16 for the increase in requests that will be expected in years to come. Clean Coalition urges the
17 Commission to verify that funds will be used to appropriately increase staffing levels to
18 ensure PG&E is prepared for future energizations.

1 **II. PG&E DOES NOT PROPOSE STAFFING INCREASES TO MEET THE**
2 **ENERGIZATIONS BACKLOG**

3 PG&E’s motion only refers to staffing levels in a few places, never providing a
4 comprehensive analysis of what additional funding will mean in terms of new jobs. If
5 anything, the picture painted is one of increasing reliance on more expensive contractors to
6 complete work and an inability to hire new staff and bring them up the learning curve. PG&E
7 writes that unit costs will increase by \$29,000 in 2025, \$24,000 of which will come due to
8 “increased average size of PG&E’s residential connection projects and the need to use
9 additional qualified contractor construction resources, which are more expensive compared
10 to PG&E construction resources.”¹ In the same section, PG&E notes that it “does not have
11 enough internal resources, nor the time to hire and train more internal staff, to complete all
12 forecasted and backlog work in a timely manner. It is important to note, the increased
13 throughput needed in 2025-2026 is a temporary increase to complete the backlog. It is not
14 prudent to hire permanent staff, which also requires purchasing additional vehicles,
15 equipment, tools, etc., when this temporary level of staffing is not needed after the backlog is
16 eliminated.”² Clean Coalition is taken aback – the rationale in the motion is that the main

¹ Motion of PG&E to Increase 2025 and 2026 Energization Cost Caps, at p. 14.

² *Ibid.*

17 thing leading to the buildup of a project backlog in the first place is capital. As a
18 result, PG&E is not suggesting that staffing levels were ever an issue that contributed to an
19 energizations backlog. According to this Motion, consistently relying on more expensive
20 contractors is a sustainable approach and hiring more internal staff is not prudent or needed.
21 Clean Coalition is concerned that this could be short-sited due to the increase in energizations
22 that will occur as the state electrifies. If this request is for a temporary infusion of capital, the
23 backlog will be dealt with and things will be back to normal after two years. Yet, PG&E does
24 not explain why the business-as-usual approach that led to this backlog will be any different.
25 In other words, if there are no staffing changes and the number of energizations is increasing,
26 why should the Commission buy into the “next time will be better” argument? Increasing the
27 amount of expert staff seems directly correlated to increasing the effectiveness of the
28 energizations process.

29

30 We would not want PG&E to develop another energizations backlog in the future, nor would
31 consistently requests for capital increases due to energizations be a good result.

32 Before approving this request, the Commission should take a deep dive into how staffing
33 works for energizations. It is important to verify PG&E’s staffing levels will be sufficient
34 to handle future demand and to deal with the existing backlog in a timely manner. As is, the
35 capital requested in PG&E’s motion appears to be more of a band-aid solution than focusing
36 on systematic change to prevent this issue from ever occurring again. Focusing on
37 expensive contractors without consideration of training new staff, procuring new equipment,
38 and putting systems in place to handle a larger number of energizations on a consistent basis
39 does not seem to be using ratepayer funding effectively. We advocate that the Commission
40 take a more granular oversight role and directly address the importance of staffing levels.

1 **V. CONCLUSION**

2 We urge the Commission to consider staffing needs before approving PG&E’s motion. As is,
3 the vagueness and reliance on expensive contractors rather than long-term internal solutions
4 seems short-sighted and may not be the most effective use of ratepayer funds.