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# PG&E Comments on Climate Adaptation in the Energy Sector (Joint Workshop 7/27/15)

Additional submitted attachment is included below.



Valerie Winn Chief State Agency Relations 77 Beale Street, B10C San Francisco, CA 94105

(415) 973-3839 (415) 973-7226 Fax Valerie.winn @pge.com

August 10, 2015

#### VIA E-MAIL DOCKET@ENERGY. CA.GOV

California Energy Commission Dockets Office, MS-4 Docket No. 15-IEPR-11 1516 Ninth Street Sacramento, CA 95814-5512

Re: <u>Docket 15-IEPR-11: Joint CPUC/CEC Workshop on Climate Adaptation Opportunities</u> for the Energy Sector

#### I. Introduction

Pacific Gas and Electric Company (PG&E) appreciates the opportunity to provide comments on the July 27, 2015, joint California Public Utilities Commission (CPUC) and California Energy Commission (CEC or Commission) Workshop on Climate Adaptation Opportunities for the Energy Sector. We applaud the Commissioners, Agency leaders and other staff for convening a workshop on this critical topic.

PG&E is actively working to address the challenges of climate change in a way that will sustain and improve our ability to provide safe, reliable, affordable and clean energy to our roughly 16 million customers. In addition to combating climate change by reducing our carbon footprint, PG&E is engaged in mitigating the emerging risks associated with changing climate conditions.

PG&E's approach to addressing changing climate conditions focuses primarily on:

- Robust emergency response plans and procedures to address near-term risks, including more extreme storms, heat and wildfires.
- Active engagement at the federal, state, and local level on climate change adaptation and resilience.
- A comprehensive risk assessment process to prioritize infrastructure investments for longer term risks.
- An in-house climate change science team that regularly reviews the most relevant science and integrates its research into PG&E's risk assessment process.

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The following comments provide further detail on aspects of PG&E's approach to climate adaptation which were of particular interest to the CPUC and the Commission during the July 27 workshop.

# II. PG&E DEVOTES INTERNAL SCIENTIFIC RESOURCES TO CLIMATE ADAPTATION RESARCH

PG&E utilizes a five-member in-house science team to help investigate the potential physical risks of climate change to our system. In addition to duties unrelated to climate science, this team regularly reviews the most relevant scientific literature on how sea level rise, temperature changes, rainfall and runoff patterns, wildfire risk, and storm frequency and intensity affect California and the West.

Climate research performed by the science team is a key element of PG&E's multi-year risk assessment. A range of natural hazard scenarios developed by the climate science team, including flooding, sea level rise, heat storms and others, have informed PG&E's current risk assessment process, the results of which will be considered as part of PG&E's 2016 strategic planning process. The science team's work directly informs PG&E strategy related to climate risks.

### III. PG&E COMMUNICATES CLIMATE-RELATED INFORMATION TO STAKEHOLDERS AND PARTNERS

We believe it is critical that investors, customers, policymakers and other stakeholders have access to information that allows them to assess and understand PG&E's risks and opportunities associated with climate change.

As such, PG&E regularly informs company stakeholders of climate-related risks to the business through a number of channels, including the Annual Report Form 10-K filed with the Securities and Exchange Commission (SEC), PG&E's Annual Corporate Responsibility and Sustainability Report, through participation in the Carbon Disclosure Project and through participation in various other climate-related reports, studies and partnerships.

PG&E's Annual Corporate Responsibility and Sustainability Report includes a detailed but accessible summary of the company's climate change adaptation efforts, as well as PG&E's efforts to reduce our own carbon footprint.<sup>2</sup>

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<sup>&</sup>lt;sup>1</sup> See Appendix A

<sup>&</sup>lt;sup>2</sup> http://www.pgecorp.com/corp responsibility/reports/2014/en02 climate change.jsp

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Since 2005, PG&E has voluntarily responded to the Carbon Disclosure Project, an international not-for-profit organization that solicits greenhouse gas emissions and climate risk information on behalf of institutional investors. PG&E's responses earned the company a rating of 95 out of 100 in 2014, an indicator of the company's concrete integration of climate change considerations in the way we do business. 4

PG&E also collaborates with key stakeholders and agencies on climate impact studies. At the local level, PG&E participated in a report published by the Bay Area Council Economic Institute entitled, "Surviving the Storm." The report studied the impacts of a fictional Bay Area Superstorm and helped PG&E better understand the potential impact of such a storm on our electric system.<sup>5</sup>

At the national level, PG&E recently joined a new, public-private collaboration between the U.S. Department of Energy and other leading electric utilities from across the country called the Partnership for Energy Sector Climate Resilience (Partnership). The Partnership will focus on improving the resilience of the nation's energy infrastructure against extreme weather and climate change impacts, and as a partner PG&E has committed to identifying priority climate vulnerabilities and developing resilience strategies, assessing costs and benefits of investment, and sharing experiences and progress with climate resilience activity.

# V. PG&E SUPPORTS COLLABORATING ON ADDITONAL RESEARCH TO RESPOND TO A CHANGING CLIMATE

PG&E fully supports the goal of collaborating on studies and additional research to help prepare for and respond to a changing climate. We recommend that such research efforts:

- Deliver actionable results regarding climate vulnerability, resilience and management options in the utility sector.
- Contain clear linkages to how utilities can use or operationalize the research findings. Such recommendations will help the utilities incorporate and apply the research in ways that enhance safety, grid and resource management.
- Explicitly consider safety, reliability and affordability, while showing the impact to each and the costs and benefits of the methodologies proposed.
- Consider integration with existing assets, standards and interoperability needs in the case of new innovations.

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 $<sup>\</sup>frac{3}{2}$  See Appendix B

<sup>4</sup> https://www.cdp.net/CDPResults/CDP-SP500-leaders-report-2014.pdf

<sup>&</sup>lt;sup>5</sup> http://www.bayareaeconomy.org/media/files/pdf/SurvivingTheStorm.pdf

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• Make the data available to utilities in an accessible manner.

We believe that research efforts that follow these guidelines will lead to results that are valuable and actionable.

#### VI. Conclusion

PG&E recognizes that climate change poses risks to our effort to provide safe, reliable, affordable and clean energy to our customers. We appreciate this opportunity to communicate some of the measures we are taking to address the challenges of climate change, and we look forward to continuing to work with the CEC and other stakeholders on this topic in the future.

Sincerely,

/s/

Valerie Winn