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August 27, 2021

Rachel Peterson  
Executive Director  
California Public Utilities Commission  
505 Van Ness Avenue, Room 5223  
San Francisco, CA 94102

Re: Implementation of the Catastrophic Event Memorandum Account for the Governor's July 30, 2021 Proclamation of a State of Emergency

Dear Ms. Peterson:

In accordance with Commission Resolution E-3238, dated July 24, 1991, and the associated currently effective tariff sheets (Electric Preliminary Statement Part G), PG&E submits this letter to preserve the option of filing an application for cost recovery under CEMA provisions at a later date for costs that have been or will be incurred in response to Governor Newsom's July 30, 2021 Proclamation of a State of Emergency (Emergency Proclamation).

1. Disaster

On July 30, 2021, the Governor of the State of California, Gavin Newsom, issued a statewide State of Emergency Proclamation under the California Emergency Services Act, and in particular, Government Code sections 8567, 8571, 8625, and 8627, as a result of the various impacts of climate change, from droughts to wildfires to heatwaves to floods to rising seas to mudslides to vanishing snowpacks. Drought conditions have led water supplies in California's reservoirs to drop to levels so low that hydroelectric facilities to reduce or cease production. Extreme heat events have led to an increase of customer demand that puts a significant demand and strain on California's energy grid. Multiple wildfires continue to burn throughout the state of California causing massive evacuations of residents, forcing major roadway closures and damaging state and utility infrastructure. The Emergency Proclamation declares it necessary to take immediate action to reduce the strain on the energy infrastructure, increase energy capacity, and make energy supply more resilient to protect the health and safety of Californians.

PG&E shares the State's concerns with the impacts of climate change and is committed to providing safe and reliable energy to its customers and to take all necessary actions to maintain grid reliability.

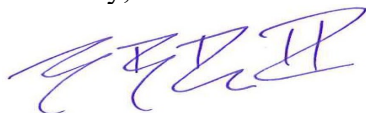
2. Potential Costs to be Incurred in Response to the Emergency Proclamation

The Emergency Proclamation directs a series of state actions to address and mitigate issues with grid reliability as a result of the effects of climate change. As part of this direction, PG&E and other serving utilities are to implement an electric demand reduction program (California State Emergency Program). The State's Department of Finance is directed to provide payments to fund the electric demand reduction programs to be implemented by the utilities. Payment is to be made to any investor-owned utility or publicly owned utility for the eligible incentive and administrative costs, that the Department of Finance, in consultation with the CAISO, the California Energy Commission, and the California Public Utilities Commission, determines, based on documentation submitted by the utility. PG&E is now working in response to the Emergency Proclamation, including the development and implementation of the required electric demand reduction program. In addition, PG&E has undertaken the responsibility of managing the contract and costs associated with the designated third party administrator for all three IOUs and will request recovery through the Department of Finance for all third party administrator costs on behalf of all three IOUs.

At this time, PG&E anticipates that the various incremental costs it might incur in response to the Emergency Proclamation would likely be recovered through mechanisms other than CEMA or directly reimbursed by the Department of Finance. However, out of an abundance of caution, and to comply with the Commission's requirement that a utility submit a CEMA Notification Letter within 30 days of an emergency declaration, PG&E submits this letter to provide notice to the Commission of PG&E's intent to potentially seek recovery through CEMA of incremental costs associated with its response to the Emergency Proclamation, including the implementation of the electric demand reduction program for any incremental costs not fully reimbursed by the Department of Finance.

If you have any questions about this CEMA notice, please do not hesitate to contact me at (415) 973-5921 or by email at [Sidney.Dietz@pge.com](mailto:Sidney.Dietz@pge.com).

Sincerely,



Sidney Bob Dietz II  
Director – Regulatory Relations

cc: Edward Randolph, Director, Energy Division  
(via e-mail to [EnergyDivisionCentralFiles@cpuc.ca.gov](mailto:EnergyDivisionCentralFiles@cpuc.ca.gov))