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Mark Ghilarducci
Director
Office of Emergency Services
3650 Schriever Avenue
Mather, California 95655-4203

Dear Director Ghilarducci:

Thank you for your ongoing commitment to helping local communities recover from and become more resilient to disasters. Counties are especially grateful for the Office of Emergency Service's (OES) recent participation in a roundtable discussion regarding Public Safety Power Shutdowns (PSPS). The meeting brought together Investor-Owned Utilities (IOU), OES, the California Public Utilities Commission, and county representatives to discuss best practices during power shutdowns and needed improvements to the partnership and communication between all entities. We appreciate the time your office has dedicated to this issue and believe that the foundation of a strong partnership between the state and local governments on emergency response and preparedness, coupled with enhanced communication, will lead to well-coordinated PSPS events.

It is with the goal of safer, improved PSPS events that we write this letter to request further clarity and collaboration on the state's financial assistance to local communities in the preparation for, and response to, PSPS events. Counties on the front lines of PSPS events have identified robust needs and the proper avenue and funding source is currently unclear.

\$75 million included in the 2019-20 Budget Act

As you know, the 2019-20 Budget Act included \$75 million for state operations or local assistance to prepare for and respond to PSPS events. The Budget Change Proposal (BCP) accompanying this request included an explanation that, "planning grants to improve local preparedness for IOU-driven PSPS events would be available to the state's 58 Operational Areas' (Counties) Offices of Emergency Management to do the following:

- Convene regional stakeholders to discuss PSPS preparedness efforts and local response actions;
- Update emergency plans to include an addition for PSPS events; and
- Hold trainings, discussions, and exercises to reinforce planning assumptions."

Additionally, the BCP stated, "in addition to any services or centers provided by IOUs, local governments may identify additional needs for PSPS Community centers where residents can access air-conditioned facilities, electrical power to recharge important equipment, and information on the PSPS event."

CSAC agreed with the local needs identified in the proposal and counties have identified costs consistent with these needs with transportation also becoming an emerging issue. CSAC advocated for a portion of these funds to be clearly earmarked in the Budget for assistance to counties. However, the administration felt it was imperative to maintain maximum flexibility with this fund source. While that is understandable given the number of unknowns with a new program, counties have been left without clarity on how these funds will be used, and how to apply for these funds, during peak fire season and with the threat of additional PSPS events on the horizon. Additionally, as the BCP recognized, there are up-front costs associated with training, planning, and procurement that are occurring now, and counties have been inquiring about the process to apply for these funds. We would like to work with your office to identify the process for applying for this local assistance.

California Disaster Assistance Act

While the \$75 million appropriated in the 2019-20 Budget Act is intended to address state and local needs associated with a PSPS event, we would also like to discuss whether PSPS events, and accompanying local expenditures, qualify for local assistance under the California Disaster Assistance Act (CDAA). There appears to be ambiguity in the implementing statute for CDAA and counties would greatly appreciate clarity on whether applications for assistance under the act are acceptable. For example, Government Code section 8680.3 states, “Disaster means a fire, flood, storm, tidal wave, earthquake, terrorism, epidemic, or other similar public calamity that the Governor determines presents a threat to public safety.” Furthermore, Government Code section 8685, subdivision (d), appears to allow CDAA funding to be used to provide financial assistance for, “indirect administrative costs and any other assistance deemed necessary by the director (of OES)” and section 8680.9 defines “local emergency” as a condition of extreme peril to persons or property proclaimed as such by the governing body. Counties believe a PSPS event could meet these criteria.

The BCP associated with the \$75 million stated, “IOU-initiated PSPS events threaten to affect the state’s most vulnerable residents disproportionately—particularly those who depend on power supplies to operate life sustaining equipment. Extreme heat conditions will exacerbate the health risks to the affected populations in general, and especially for vulnerable populations, such as the elderly and health compromised.” Additionally, the BCP stated, “IOU-led implementation of PSPS could have significant impact on regions of the state, especially critical services and the state’s most vulnerable populations, some of whom depend on... power supply to operate life-sustaining equipment... Extreme heat conditions will likely exacerbate health risks...”

Consequently, counties have inquired whether a PSPS event meets the criteria of a “similar public calamity presenting a threat to public safety” and whether it is appropriate to seek state assistance through CDAA for PSPS events.

Financial Assistance from Investor Owned Utilities

While we are requesting state financial assistance in preparing for, and responding to, PSPS events, we also recognize that Investor Owned Utilities should share in the financial burden. Chapters 79,

Statutes of 2019 (AB 1054), includes a number of enhanced safety requirements for Investor-Owned Utilities, including a requirement to create an aggregate \$5 billion safety and wildfire mitigation investment over a period of five years, without profit on such expenditures. As PSPS events are intended as a last resort prevention tool against wildfire in the case of extreme weather events and conditions, we believe that the use of a portion of these funds is appropriate for enhanced on-the-ground expenditures for the safety of our communities during a de-energization event.

In closing, we wish to extend our sincere appreciation for your support, direct assistance, and willingness to partner with counties to help our communities recover, rebuild, and be stronger into the future. We are requesting to further work with your administration to achieve clarity on available state resources that may be appropriate to address PSPS events to minimize the burden on local communities and budgets.

Respectfully,

A handwritten signature in black ink that reads "Darby Kernan". The signature is written in a cursive, flowing style.

Darby Kernan

Deputy Executive Director of Legislative Services

cc: Grace Koch, Chief Deputy Director, Office of Emergency Services
Eric Lamoureux, Assistant Director for Response, Office of Emergency Services
Rhys Williams, Senior Advisor, Office of Governor Newsom
Keely Bosler, Director, Department of Finance
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