

Franchise Agreement Presentation Talking Points

Slide #4: Environmental Considerations

We believe it's possible to hold PG&E to a higher standard of environmental protections, safety, and reliability in Santa Cruz County by renegotiating the franchise agreement to create a more mutually beneficial partnership. Our franchise is nearly 70 years old.

I'd like to just talk briefly about some of the impacts of PG&E's vegetation management and clearing.

PG&E has a long history in Santa Cruz County and the San Lorenzo Valley. For decades, PG&E didn't maintain the required 4-foot radial trim, because they cut crews to cut costs, which made our winter outages worse. That backlog of work triggered PG&E's Enhanced Vegetation Management program in 2018. The Valley Women's Club also fought successfully, with support from the Board of Supervisors, to stop PG&E from clearing hundreds of trees along Graham Hill Road to lay natural gas pipelines.

PG&E's overly aggressive vegetation work in the San Lorenzo Valley has been environmentally destructive, degrading habitat, damaging watersheds, and increasing soil erosion. PG&E has used these protocols all over its service area in the state--every few years they give it a new name, once the old term has gotten a bad reputation, but the behavior doesn't change. EVM has ended, ON PAPER, in Santa Cruz County, but the tree clearing continues, under other names, in other parts of the state.

PG&E's position is that they have full exemption from the Forest Practice Rules. They informed Cal Fire CZU in 2020, **in writing**, that they didn't intend to follow Forest Practice Rules, and their excessive clearing work has drawn complaints from the Santa Cruz, Marin, Mendocino, Napa, and Sonoma Boards of Supervisors, among others. We believe that local governments have the legal right, and the obligation, to protect their natural resources.

After the CZU Fire, PG&E contractor crews clear-cut through the burn areas, often without homeowners' permission and sometimes without their knowledge, so people who lost their homes in the fire came back to find their surviving trees also destroyed. This was documented by multiple sources, including in-person visits by Kevin Collins and myself, and with many dozens of photos.

The CZU Fire was sparked by dry lightning and worsened by drought, but if it **had** been caused by PG&E equipment, their response would have been exactly the same. Logging roads were cut with poor erosion and runoff control, without proper oversight, the work caused soil compaction and erosion, and many trees which survived the fire and were showing new growth, were felled, adding more damage and slowing recovery. It was exactly opposite to what the Resource Conservation District of Santa Cruz told people to do, which was to keep their trees, burned or

not, to hold the soil, provide habitat, preserve moisture, and slow erosion. We lost thousands of redwoods, firs, oaks, madrones, pines, and others, damaging the watersheds.

As a county that relies entirely on our local sources of water, if we fail to preserve these watersheds in good health for the future, we are in serious trouble. Nearly 100% of our water comes from streams and groundwater aquifers, which rely on rainfall. This is a city issue, too, because most of the City of Santa Cruz's water comes from the San Lorenzo River, which is fed by these watersheds. The San Lorenzo Valley, its river and its watersheds, are a vital resource.

Cal Fire's CZU unit filed **over twenty** Notices of Violation against PG&E in 2020 and 2021, and in December of 2020 the Board of Supervisors unanimously supported a formal complaint to the CPUC. **We need better tools to protect ourselves.** Rewriting the franchise agreement gives the county a 'reset' for its relationship with PG&E, and allows us to establish better conditions and protections for our county.

There is a further serious consideration. The state of California, followed by many local governments, including Santa Cruz, has begun an ambitious campaign to increase clean energy, ending or greatly reducing use of fossil fuels like natural gas, incentivizing the electrification of new developments and transportation, and phasing out non-electric appliances. Increased demand means a hugely increased burden on our electric grid, which in PG&E's service area is often outdated, deteriorated or dangerous. PG&E has also used this push to gain greater control of the solar industry and discourage homeowner rooftop solar.

As we begin transitioning to majority electric only, state and local governments need to ensure that the grid is safe, reliable, and affordable, according to the CPUC's own mission statement. Otherwise we are forcing people into inequitable, unaffordable and unsafe situations.

Our county government has held environmental protections as a core value and a primary goal for decades. We are the second smallest county in California. We have incredible natural resources, but our limited space and water puts us on the forefront of sustainability and climate issues. Safeguarding our resources means doing everything we can to ensure a thriving environment, including wild lands, rural, and urban areas. It makes sense to look at the Franchise agreement. Our infrastructure needs to be safe, not at the expense of our environment but as part of protecting it. The cost of failing to upgrade is too high, and we cannot afford to lose our forests. You simply cannot cut enough trees to make PG&E's current infrastructure safe. This place is unique, and irreplaceable--it deserves our protection.