



California Water and Infrastructure Report

Formerly, the “California Drought (and Flood) Update”

For October 24, 2019

by Patrick Ruckert

Published weekly since July, 2014

An archive of all these weekly reports can be found at both links below:

<http://www.californiadroughtupdate.org>

<https://www.facebook.com/CaliforniaDroughtUpdate>

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So, we have two stories here. First how in the hell can California, supposedly the most modern and advanced state in the nation, be thrown back to existing as we did more than a century ago-- without electricity? The second story is actually a continuation of story that bankrupted PG&E (and Southern California Edison) in 2001. Again, another story of predators. That time the name was Enron.

From my report, below: “Bankrupt and Carrion for the Vultures, PG&E Turns Off the Lights in California.”

A Note To Readers

Following a two week break, we are back with our weekly report.

Today, once again, PG&E and Southern California Edison have cut off electricity to hundreds of thousands of customers as winds up to 75 mph are blasting through both northern and southern California.

Our report this week focuses on this most critical element of the state's infrastructure and features the report I wrote on October 12, “**Bankrupt and Carrion for the Vultures, PG&E Turns Off the Lights in California.**” Following that report will be reports on the fall-out from the grid shutdown two weeks ago.

But first, some reports on today's power shut-offs and fires.

Next week I'll cover more background on how the electrical infrastructure system of the state has become so dysfunctional.

Next, we report on a new battle in the ongoing California Water Wars. During his campaign for the Presidency in 2016, Donald Trump promised the farmers of the Central Valley that he would ensure that they would get more water and that the current policy of both the federal government and the state of California would be changed.

So, the federal government announced the new plan, and it will definitely set off a new battle. Surprisingly, at least to most, California governor Newsom is not attacking Trump's plan.

This week's report concludes with the proposal by Assemblyman Jordan Cunningham to introduce a bill that could keep Diablo Canyon Power Plant operational. Pacific Gas and Electric Company (PG&E) plans to shut down the nuclear power plant near Avila Beach by 2025.

No Electricity and We Still Have Fires



Flames enter a vineyard during the Kincadee fire near Geyserville, California on October 24, 2019. - fast-moving wildfire roared through California wine country early Thursday, as authorities warned of the imminent danger of more fires across much of the Golden State. The Kincadee fire in Sonoma County kicked up Wednesday night, quickly growing from a blaze of a few hundred acres into an uncontained 10,000-acre (4,000-hectare) inferno, California fire and law enforcement officials said. (Photo by JOSH EDELSON/AFP via Getty Images)

Various reports put the numbers of those customers without power today at between 200,000- 500,000. And this is not the end of it, for the forecast is that high winds throughout the state will arise again early next week. Despite the shutoffs, it appears that the Kincaid fire was started by PG&E equipment.

So, we have an “extremely critical” fire danger in both northern and southern Californian now. Underlining that danger, one fire, north of Napa, broke out yesterday, and driven by winds of up to 65 mph, quickly grew to more than 10,000 acres overnight, forcing the evacuation of thousands of people from their homes, schools and businesses.

PG&E Reports Malfunction At Transmission Tower Near Origin Of Kincade Fire

October 24, 2019 at 6:51 pm

<https://sanfrancisco.cbslocal.com/2019/10/24/pge-malfunction-transmission-tower-near-origin-kincade-fire/>

GEYSERVILLE (CBS SF) — Pacific Gas and Electric has alerted state regulators Thursday that a high voltage transmission power line malfunctioned in the area at around the time the Kincade Fire began in Sonoma County.

[A preliminary report from PG&E](#) indicated a there was a malfunction on a 230,000 volt transmission line near Kincade Road and Burned Mountain Road about 9:20 p.m. Seven minutes later, the first calls went out reporting a major fire in the area.

California Town Ordered to Evacuate as Kincade Fire Explodes in Sonoma County; New Fire Sparked near Santa Clarita

By Ron Brackett

October 24, 2019

weather.com

<https://weather.com/news/news/2019-10-24-kincade-wildfire-california-evacuations>

At a Glance

- *A new wildfire was sparked Thursday afternoon in Southern California, prompting evacuations.*
- *Meanwhile, the Kincade Fire spread rapidly in Northern California.*
- *Residents of Geyserville were ordered to evacuate as the fire jumped a highway.*
- *PG&E said high-voltage lines near the fire still had power when it started.*

Rapidly spreading wildfires have forced evacuations in Northern and Southern California.

Structures were ablaze Thursday afternoon about 10 miles northeast of Santa Clarita after the so-called Tick Fire was sparked near Tick Canyon Road at about 2 p.m. local time. According to fire officials, the inferno quickly grew to more than 5 square miles as it encroached on homes and other structures in the Agua Dulce area.

Residents near the blaze quickly scrambled to evacuate their homes as the fire burned down hillsides and threatened to torch subdivisions.

About 10 miles west of the Tick Fire, another blaze was sparked Thursday afternoon near the 5 Freeway in Castaic. Named the Old Fire, and later renamed the Tick Branch 10, this inferno burned about 10 acres of brush near a neighborhood adjacent to the freeway; At least one home suffered fire damage, and the freeway was shut down as crews attempted to get the blaze under control.

Several other large wildfires were burning across the state on Thursday as hot, dry, windy conditions prevailed.

500,000 Californians in the dark, more outages likely as fires rage in Sonoma, San Bernardino counties

[John Bacon](#), USA TODAY

Oct. 24, 2019

<https://www.usatoday.com/story/news/nation/2019/10/24/kincade-san-bernardino-fires-shutoff-power-california-evacuations/2452820001/>

Almost 200,000 homes and businesses across California were without power Thursday and utilities warned that hundreds of thousands more could be in the dark soon as high winds and brittle conditions fueled fast-growing wildfires.

Those fears were being realized in Sonoma County, 75 miles north of San Francisco. The fast-growing Kincade Fire flared up early Thursday and within hours covered more than 15 square miles. The National Weather Service reported wind gusts of up to 70 mph, and evacuations were underway in several communities.

"Leave immediately if you are in these locations," the Sonoma County Sheriff's Office warned, citing an "extraordinary threat to life or property."

Cal Fire spokesperson Jonathan Cox told KTVU-TV that the fire was growing at a "critical rate." He blamed dry conditions and the high winds.

The bulk of the power outages, affecting at least 500,000 people, were in northern and central California, where Pacific Gas & Electric has been warning for days that high winds forecast for the state could result in preemptive power shutoffs. Residents should be ready to be without power for 48 hours or more, the company warned.

"Once the weather subsides and it is safe to do so, PG&E crews will begin patrolling power lines, repairing damaged equipment and restoring customers," PG&E said.

That respite might not last long — the company said that strong winds forecast for Sunday and Monday could lead to more preemptive outages.



SOURCE fire.ca.gov, as of 9 a.m. ET, Oct. 24; Pacific Gas & Electric; maps4news.com/©HERE (Photo: USA TODAY)

'Extremely critical' fire danger returns to Calif., threatening Los Angeles, Napa Valley

Andrew Freedman, *The Washington Post*

Published 12:08 pm PDT, Wednesday, October 23, 2019

<https://www.sfgate.com/news/article/Extremely-critical-fire-danger-returns-to-14556918.php>

The combination of strong offshore winds and extremely dry conditions are creating three tense days of heightened wildfire danger in California, from the dense forests and mountains of northern California to the canyons and urban sprawl of Los Angeles. The greatest risk on Wednesday will be in northern

and central California, where Red Flag warnings are in effect through Thursday night.

There is also an elevated risk of wildfires in southern California on Wednesday, but the fire danger there won't reach "extremely critical" levels until between the early morning hours on Thursday through Friday. This will be the period when the strongest offshore winds, known as Santa Ana winds, will develop, causing relative humidity levels to plunge into the low single digits and ensure that any wildfires that ignite to spread explosively and exhibit extreme behavior.

As occurred earlier this month, California electric utilities are taking the extraordinary step of preemptively cutting power to hundreds of thousands in order to minimize the risk that sparks from their equipment could touch off a deadly blaze. California's deadliest and most destructive wildfire on record, which occurred one year ago yesterday, killed 88 in Paradise, Calif.

Separately, Southern California Edison is considering a preemptive cut to more than 162,000 customers in preparation for the Santa Ana event there, and San Diego Gas & Electric is also planning to cut power to the highest risk areas.

According to the National Weather Service forecast office in Los Angeles, winds may gust to at least 65 mph at times, along with air temperatures between 87 and 97 degrees. "This is a dangerous situation with an environment ripe for large and fast fire growth," the office said in a technical discussion early Wednesday morning.

Parts of California Go Dark Again, 500K People Without Power, 300K+ More At Risk

By [Reuters Wire](#)

Published October 24, 2019

https://thefederalistpapers.org/us/parts-california-go-dark-500k-people-without-power-300k-risk?fbclid=IwAR0FIYxBgUYRjHmb4Rk12Jvtu6y8JkyjDIFJBzMAH5uGMyUZ82CAb_y8VNI

California emergency officials on Thursday ordered hundreds of people to evacuate a historic wine country town north of San Francisco, and nearly 200,000 were without power in the state, as a growing wildfire spread in Sonoma County.

Driven by strong winds, the Kincadee fire engulfed some 10,000 acres (4,047 hectares) by Thursday, according to the California Department of Forestry and Fire Protection. The Sonoma County Sheriff issued a mandatory evacuation order for the town of Geyserville, home to almost 900 people.

An evacuation warning for the town of northern Healdsburg remained in place.

Large parts of California were under red-flag alerts this week, suggesting a heightened risk of fire, amid high temperatures and powerful winds, officials said.

About [196,000 customers were without power](#) in the state on Thursday morning, according to [poweroutage.us](#).

More than half a million homes and businesses in the state could lose power this week as utilities, including [Pacific Gas & Electric](#) and Southern California Edison, cut off electricity as a preventive measure against wildfires.

Nearly [300,000 customers in seven counties](#), including Los Angeles, San Bernardino and Ventura in southern California, were under consideration for Public Safety Power Shutoffs, Southern California Edison said.

Bankrupt and Carrion for the Vultures, PG&E Turns Off the Lights in California

By Patrick Ruckert

October 12, 2019

<http://www.californiadroughtupdate.org/20191012-PG%26E-Turns-Off-the-Lights-in-California.pdf?t=1570935202>

For the past one, two, three or even four days in northern California upwards of 2.5 million people have had no electricity in their home, business, school or work place. It was no natural disaster that disrupted the power grid, but a deliberate shutting down of electricity transmission by the largest private utility in the country in more than one-half of the counties in the state.

As is normal about this time each year, the Diablo Winds come off of the Sierra Mountains into the valleys and hills of the coastal region of the state. A similar phenomenon occurs in southern California, though there it is called the Santa Ana Winds. Winds of up to 70 mph are common, and if a spark or flame is met by the winds, devastating fires sweep through the forests and homes of the state.

In 2017 and 2018 it was Pacific Gas and Electric (PG&E) equipment that provided the spark for some of the fires that burned thousands of homes and killed more than 100 people. Found responsible for the tragedy, PG&E was liable for about \$30 billion in damages and thus filed for bankruptcy in January of this year.

Shutting down the power grid as precautionary measure to prevent the company's equipment from starting more fires this year is nothing but a measure of self-protection by PG&E.



Being the largest private utility in the country with tens of billions of assets in facilities, equipment and the power providing infrastructure that delivers natural gas and electricity to eight million customers, PG&E in bankruptcy began looking like an easy prey for the vulture funds like Elliott Management run by the notorious predator Paul Singer. Singer and his hedge fund partners swoop in on the debt plagued companies (and countries like Argentina three years ago), buy up the debt of the company for pennies on the dollar then sue and sue until they receive full face value of the debt.

So, we have two stories here. First how in the hell can California, supposedly the most modern and advanced state in the nation, be thrown back to existing as we did more than a century ago-- without electricity? The second story is actually a continuation of story that bankrupted PG&E (and Southern California Edison) in 2001. Again, another story of predators. That time the name was Enron.

A Fire in Paradise

In November, 2018, as the Diablo winds swept into the northern California town of Paradise with its

25,000 people living in what is called the urban/forest interface, a spark from a PG&E piece of equipment was quickly turned into a raging inferno. The wind whipped the flames and sent sparks flying hundreds of yards and gobbled up a football field size of territory every second. More than 14,000 homes and businesses burnt to the ground and 86 people died in the fire. The estimated damage for that fire was \$16 billion.

This was not the first fire that PG&E equipment was found to be the cause of fires. Their equipment was found to be responsible for 17 of 23 major fires in the state in 2017, which killed 15 people and destroyed 5,000 homes. More generally, throughout the state, it has been utility equipment and facilities that has been responsible for about 2,000 (1,500 of them attributed to PG&E) fires in the past four years (though most of them were small and quickly extinguished). The state of California has an inverse condemnation law that holds utilities liable for fire damage caused by their equipment even if the company did not act negligently, and the company may not pass on these costs to its customers. Though the California legislature passed a law last year that allows the utilities to assess rate payers for some portion of these charges.

So, when the Diablo winds were forecast for this past week, PG&E announced that it would be shutting down its grid, and did so, with some areas being without electricity for four days. It is estimated that the economic loss from the shutdowns to businesses and individuals to be about \$2.5 billion.

Whether the equipment is old and worn out or tree branches down a power-line, with more than 25,000 miles of high voltage transmission lines and 81,000 miles of distribution lines (with two-thirds of those overhead, not underground), for PG&E to ensure that none of that infrastructure starts a fire is a Herculean task. Why not bury the lines? Money. It costs about \$3 million per mile to do that, and 81,000 miles works out to \$243 billion. PG&E is burying about 100 miles per year now. In addition, trimming trees near lines over thousands of miles of lines requires thousands of trained tree trimmers, which does not exist even in the entire country.

And as the American Society of Civil Engineers report every four years on American infrastructure has reported, the U.S. energy sector gets a D+, since most of the national electrical grid was built in the 1950's and 1960's. So too in California.

Added to that is the literal criminal manner that the company has been managed. PG&E was found guilty of six federal felonies and fined \$1.6 billion for a gas pipeline explosion in San Bruno (a suburb of San Francisco) that killed eight people in 2010. Management has also been found to have pressured employees to falsify safety data in regard to pipelines from 2012-2017.

In April this year the judge in the bankruptcy case found that the company had diverted \$4.5 billion dollars from its tree trimming budget to pay out in stock dividends to its investors. And in Paradise the company had planned as far back as 2013 to replace the aging transmission equipment there, but has never done so.

Slightly shifting the blame from PG&E, the *Wall Street Journal* on October 11 pins at least part of the problem on California's notorious, and well-deserved reputation as an environmentalist haven, stating "that green energy mandates have cost PG&E money that could have been spent on safety..." The *Journal* continued:

"For years the utility skimped on safety upgrades and repairs while pumping billions into green energy and electric-car subsidies to please its overlords in Sacramento. Credit Suisse has estimated that long-term contracts with renewable developers cost the utility \$2.2 billion annually more than current market power rates."

This entire arena of wildfires has become much more destructive and widespread over the past decade

with seven of the state's largest fires occurring in the past five years. While “climate change” is often cited as the cause of these much more intense fires, other factors, some long-term, also play an important role. For most of the past 100 years both federal and state forests have a fire fighting policy of putting out any fire that occurs as soon as possible. That combined with environmentalist restrictions on logging and designating more and forests as wilderness, has created a density of trees and brush that is many times even what is found in its natural state. In California the five year drought that ended two years ago, combined with a bark beetle infestation, killed more than 130 million trees, adding to the fire fuel waiting for a spark.

Enter the Predators

That PG&E neglected safety in both its natural gas operations and its electricity distribution in favor of distributing billions for its commitment to “shareholder value,” is no surprise to those who know the history of the utility industry in the United States. (That is not to say that the banking sector and other parts of the economy are much different.) To break the hold of the utility cartels in the 1930s led President Roosevelt to establish the regulation of those companies during that time.

And regulation worked until the 1990s, when Wall Street speculators, gamblers and predators convinced state legislatures around the nation to deregulate their power industries. California was “gifted” with Enron at the time, which proceeded to create artificial power shortages by shutting down power plants and drove electricity prices up to as much as \$3,000 a megawatt-- 30 times the normal price. And since the state utility companies like PG&E and Southern California Edison were not allowed to pass on to customers the Enron price, both companies were driven into bankruptcy. In January of this year as the responsibility for the Paradise fire was being attributed to PG&E, the shares in PG&E stock fell 70 percent. Yet PG&E while announcing that it could not make payments to those fire victims from 2017 because it was short of cash, announced a \$75,000 raise for its senior vice president of gas operations. After filing bankruptcy at the end of that month, the thousands of claims by fire victims were automatically put on hold, and those people were to fight it out with other unsecured claimants, bond holders, and creditors.

As the bankruptcy filing was getting underway, the hedge fund Elliott Management Corp intervened, offering \$4 billion of funding to keep the company out of bankruptcy, of course planning to take over a substantial part of the company for that piddly amount. Even with the collapse of its stock, PG&E had 10s of billions in assets.

To note: While all this is going on it should be remembered that PG&E was on probation for the San Bruno conviction in 2010. The judge in that case, in January this year, demanded that PG&E make its power lines safe and spend \$150 billion!!! on tree trimming and upgrading its equipment. If the company could not do that, then it must be prepared to turn off power whenever the wind conditions threatened, like now. So, this is why PG&E shut down the electricity for half the state this week.

There is more. In comes Elliott Management once again.

This week, on October 10, the judge in the bankruptcy case ruled that the bond holders, led by the hedge fund Elliott Management Corp, would be permitted to submit a bankruptcy plan in addition to the one being run by PG&E. And as is the usual practice of Paul Singer, the head of Elliott Management, he has lined up some of the fire victims to be part of his group, “establishing his credentials” as a friend of the poor victims.

PG&E issued a statement in response, saying, “We are disappointed that the bankruptcy court has opened the door to consideration of a plan designed to unjustly enrich Elliott and the other ad hoc bondholders and seize control of PG&E at a substantial discount.”

Exactly how Elliott would seize control is not clear, but past practice by this vulture should be a loud warning that no one will benefit by Elliott's intervention but the predators and a few fire victims used by Elliott for cover, and probably, in the end, like with Enron almost 20 years ago, rate payers are likely to be paying quadruple their present cost for electricity.

A final note: As reported by Bloomberg on October 10, most rooftop solar setups don't work in a blackout. Since most are designed to supply power to the grid and not directly to the house, so those without battery backup are as deep in the dark as everyone else. Batteries are expensive-- as much as \$6,000.

Now Some Follow-up to What I Wrote on October 12

There is much discussion, mostly in the financial press, of the PG&E bankruptcy, the attempt by the vulture fund Elliott Management to take over the company, and the consequences for shareholders. To repeat what I wrote in my October 12 report, Elliot Management lives by its predatory practice of moving in on companies, and nations like Argentina, buying up their debt a nickle on the dollar and then either selling off the company's assets or suing until they collect the full face value of the debt. Just some of that is presented below.

A few days ago PG&E announced that blackouts will be a regular occurrence for the next decade. See the article below, "California utility sees decade of power cuts to avoid wildfires."

More significantly, for the future of the real people of the state, is "What in the Hell Should be Done?" I excerpt a few articles that address this question. One of them, "3 key solutions to California's wildfire safety blackout mess," is quite thorough and lengthy. I think you will find some of the author's proposals verging on a utopian fantasy, but overall the article is very useful.

And the mayor of San Jose has proposed to take over PG&E, making it a public utility. That will not fly now, and may never fly, but it does lead to the more fundamental question of the U.S. Constitutional mandate that all law must "promote the general welfare."

PG&E noteholders, wildfire victims file formal reorganization plan

October 17, 2019

<https://www.reuters.com/article/us-pg-e-us-bankruptcy/pge-noteholders-wildfire-victims-file-formal-reorganization-plan-idUSKBNIWX01L>

SAN FRANCISCO (Reuters) - Noteholders of PG&E Corp and a committee for victims of the wildfires that pushed the power producer into bankruptcy filed a formal reorganization plan on Thursday for the company, proposing they get effectively all of its new shares.

The plan, filed with the U.S. Bankruptcy Court in San Francisco over PG&E's wishes, proposes the noteholders buy \$15.5 billion in new shares, giving them 59.3% of equity. The plan also proposes issuing 40.6% new PG&E stock to fund a fire victims trust valued at \$12.75 billion.

This month, U.S. bankruptcy Judge Dennis Montali issued an order allowing the noteholders and wildfire victims committee to file a reorganization plan for PG&E after the noteholders offered to put \$29.2 billion in new money, in a combination of equity and debt, into the San Francisco-based power producer.

The committee backed the noteholders' plan because it expected the proposal to provide more than the \$8.4 billion in compensation PG&E has proposed for wildfire victims.

PG&E is developing a plan, backed by major shareholders, that would use \$34 billion in new debt and \$14 billion in equity commitments to reorganize.

Allowing the noteholders, which include Apollo Capital Management and Elliott Management Corp, and the wildfire victims committee to file a reorganization while PG&E advances its own plan could force the sides to negotiate a bankruptcy settlement, Montali said in his order.

PG&E said its fully funded plan would satisfy all wildfire claims in full and may allow the company to achieve regulatory approval and confirmation before the June 30, 2020, statutory deadline.

"By contrast, the Elliott Proposal is designed to unjustly enrich its proponents and allow the ad hoc bondholders to seize control of PG&E at a substantial discount," the company said in a statement.

PG&E shareholders could get wiped out

*By [Jonathan Garber](#) **FOX Business***

October 12, 2019

<https://www.foxbusiness.com/markets/pge-shareholders-could-get-wiped-out>

[Pacific Gas & Electric Company](#) shareholders are facing the possibility of a worst-case scenario -- the value of their holdings getting completely wiped out -- after a [federal bankruptcy judge's ruling](#). U.S. Bankruptcy Judge Dennis Montali decided this week that the California utility doesn't have the ability to solely control its reorganization and that a plan put forth by bondholders, led by the hedge fund Elliott Management and supported by California citizens with wildfire-damage claims against the utility, must be considered.

The plan leaves current shareholders with a much smaller stake in the reorganized company than management had proposed, according to the New York Times.

PG&E [filed for Chapter 11 bankruptcy protection](#) in January because of liabilities stemming from deadly wildfires in Northern California in 2017 and 2018.

The judge's decision caused PG&E shares to plunge 26.2 percent this week, the biggest percentage drop since January.

"The plan by Elliott and the bondholders was supported by both the creditor's committee and by the parties damaged by the fires," Eric Snyder, chairman of the bankruptcy practice at NYC-based law firm Wilk Auslander, told FOX Business. "And that's two constituents that the court couldn't ignore because the creditors committee is the pivot, they're the ones that have the most at stake."

The decision should send shivers down the spine of PG&E shareholders, who would bear the brunt of the decision if the Elliott plan were to proceed.

"In the worst case, the competing plan could win and completely wipe out current shareholders," Greg Gordon, an analyst at Evercore ISI, wrote after the ruling. "In other words, zero is possible."

Daniel Ford, an analyst at UBS agrees that PG&E shareholders could get hit hard. He lowered his price target to \$10 to "reflect an average value of the company's plan of reorganization." He said shares would be worth \$19 if PG&E's plan were to move forward and that their value would plunge to 3 cents if Elliott's proposal was approved.

PG&E has slammed the bondholders' proposal, telling Montali that the plan would lead to an

"unjustified windfall."

California utility sees decade of power cuts to avoid wildfires

<https://www.reuters.com/article/us-pg-e-fires/california-utility-sees-decade-of-power-cuts-to-avoid-wildfires-idUSKBNIWY00L>

October 18, 2019

(Reuters) - Northern Californians can expect widespread power cuts aimed at preventing wildfires for a decade while Pacific Gas & Electric upgrades wires systems, cuts back trees and takes other safety measures, the utility's chief executive said on Friday.

Bill Johnson, who became CEO of bankrupt PG&E Corp earlier this year, told an emergency meeting with the California Public Utilities Commission (PUC) that recent power outages included lack of information and hardships that cannot be repeated.

But the day when preemptive power outages would no longer be necessary is still years away, he said.

"Eventually the technology will get us to a point where we don't need to be doing it," he said. "This is probably a 10-year timeline to get to a point where it's really ratcheted down significantly."

He said he expected the precautionary outages would decrease in size and scope each year.

To reduce the need for them, the utility will create smaller sections of wires so that shutoffs can be more targeted, increase vegetation management and use new materials to cover power lines, Johnson said.

3 key solutions to California's wildfire safety blackout mess

Grid hardening, land-use reform, and restructuring PG&E, oh my.

By [David Roberts@drvox.com](mailto:David.Roberts@drvox.com) Oct 22, 2019, 10:30am EDT

<https://www.vox.com/energy-and-environment/2019/10/22/20916820/california-wildfire-climate-change-blackout-insurance-pge>

Seemingly overnight, California has been forced to confront a grim new reality: Hundreds of thousands of its residents are [regularly going to have their power cut off](#) for days at a time so that their electric utilities can avoid starting wildfires.

The problem — which I described in detail [last week](#) — is intrinsic to what the state is trying to do, namely deliver electricity to millions of residents in often mountainous, forested areas growing hotter and dryer every year. There is probably no way for utilities to do that without starting some fires and/or cutting off the power to avoid them. (Southern California Edison is [thinking of cutting off power this week](#).)

But California is doing just about everything to make the problem worse and handle it poorly. Even as global warming extends its droughts, decades of poor forest and land management have made the state a tinderbox. More and more Californians are living in the most remote, fire-prone areas in the state, doing too little to make their houses and communities resilient in the face of fire. Meanwhile, the state's biggest utility, PG&E, is a debt-ridden, mismanaged omnishambles currently being chewed over by a bankruptcy court. Covering its enormous maintenance and fire-prevention backlog is going to cause rates to rise even as power becomes less reliable.

It is the proverbial perfect storm, a collision of nature's wrath and human myopia. There is much blame to spread and much suffering to come.

So what can California do about it? Must it accept having the nation's highest electricity rates and least reliable electric power? Is this, in fact, the "new normal"?

It's complicated.

There are ways to make the grid less fire-prone, but they are expensive and slow

California must reverse the housing crisis that's sending people out of cities into remote, forested areas

The question of how to reform PG&E is vexed. Vexed, I tell you.

PG&E Would Be Bought And Converted To Public-Owned Utility Under California Mayor's Plan

by [Tyler Durden](#)

Mon, 10/21/2019 - 19:25

[https://www.zerohedge.com/energy/pge-would-be-bought-and-converted-public-owned-utility-under-california-mayors-plan?](https://www.zerohedge.com/energy/pge-would-be-bought-and-converted-public-owned-utility-under-california-mayors-plan?fbclid=IwAR24f6eLX7s5mujrilT57olki64KjllI9ZghttQAHCv0502H45Tj9kjM9bN8)

[fbclid=IwAR24f6eLX7s5mujrilT57olki64KjllI9ZghttQAHCv0502H45Tj9kjM9bN8](https://www.zerohedge.com/energy/pge-would-be-bought-and-converted-public-owned-utility-under-california-mayors-plan?fbclid=IwAR24f6eLX7s5mujrilT57olki64KjllI9ZghttQAHCv0502H45Tj9kjM9bN8)

*San Jose, California is proposing that PG&E should be **bought and** converted into the country's largest customer-owned utility amid mass-blackouts and heightened tempers over their role in the state's wildfires, according to the [Wall Street Journal](#).*

San Jose is the third largest city in California and PG&E's largest customer.

According to the Journal, Mayor Sam Liccardo hopes in the coming weeks to convince other cities to join the buyout proposal, which would change the utility's investor-owned status to a nonprofit electric-and-gas cooperative.

PG&E Stock Has 75% Probability of Going to Zero, Citi Analyst says

The buyout proposal amounts to a revolt by some of PG&E's roughly 16 million customers as [the company struggles to keep the lights on and provide basic services while preventing its aging electric equipment from sparking wildfires](#).

*San Jose Mayor Sam Liccardo said in an interview that **the time has come for the people dependent on PG&E for essential services to propose a new direction**. A cooperative, he said, would create a utility better able to meet customers' needs because it would be owned by customers—and answerable to them. -[Wall Street Journal](#)*

In other words, Liccardo thinks a coalition of California officials can do it better.

President Trump Acts to Send More Water to Farmers

During his campaign for the Presidency in 2016, Donald Trump promised the farmers of the Central Valley that he would ensure that they would get more water and that the current policy of both the federal government and the state of California would be changed.

So, the federal government announced the new plan and definitely will set off a new battle in the continuing California Water Wars. Surprisingly, at least to most, California governor Newsom is not attacking Trump's plan.

The first article below provides the details of the plan, which is followed by commentary from agricultural organizations. The final article reports on the governor's non-action, at least so far.

Trump rewrites Delta rules to pump more California water to Valley. Will Newsom fight him?

By Dale Kasler

October 22, 2019

https://www.sacbee.com/news/politics-government/capitol-alert/article236506123.html?fbclid=IwAR1kstmZ7sXx4sXbBHZfgfF4Ydr19JTNARiQUdnlh0OOxlg0mDWSTK6_zwU

President Donald Trump's administration rolled out an aggressive plan Tuesday to [ship more water from the Delta](#) to farmers in the San Joaquin Valley, a move that's certain to trigger lawsuits by environmentalists concerned about endangered fish species.

The move, fulfilling vows Trump made as a candidate and as president, potentially sets up another confrontation with California officials. State officials have previously warned that Trump's plan would hurt the fish that ply the Delta — and force the state to cut back its own water deliveries through the Delta to make up for the feds' actions.



The Delta

Gov. Gavin Newsom's administration declined to offer an immediate judgment on the Trump administration's plan. Lisa Lien-Mager, a spokeswoman for the California Natural Resources Agency, said: "We will evaluate the federal government's proposal, but will continue to push back if it does not reflect our values."

Federal officials said their plan was finalized only after months of talks with state officials.

The administration's plan consists of hundreds of pages of technical ["biological opinions"](#) from scientists at the U.S. Fish and Wildlife Service and National Marine Fisheries Service that will serve as a blueprint for how water will be funneled through the Sacramento-San Joaquin Delta — and how much will be pumped south to Valley farmers. The new rules wouldn't take effect until January at the earliest.

The administration insisted its plan, while designed to deliver more water to the Valley, will protect

Delta smelt, Chinook salmon and other fish that are listed under the Endangered Species Act.

The plan “will not jeopardize threatened or endangered species or adversely modify their critical habitat,” the administration announced.

Under the current system, which has been in place for a decade, the state and federal pumping stations in the south Delta sometimes have to be shut off to safeguard fish, allowing water to run out to sea. Trump administration officials said the existing rules rely on rigid and outdated scientific standards that limit pumping operations without really helping fish, whose numbers have declined dramatically in recent years.

Federal officials said they can't estimate how much additional water their plan will generate for south-of-Delta water agencies. But they promised to strike a balance between human and environmental needs.

“We have a plan that is much better for fish, farms and communities,” said Ernest Conant, regional director of the U.S. Bureau of Reclamation, which runs the federal government's Delta pumping stations near Tracy.

The Delta plan creates other potential headaches for the state. The State Water Project and the federal government's Central Valley Project both move water through the Delta to their respective customers — mainly Valley farmers for the feds and millions of urban Southern Californians for the state.

If the feds push more water through the pumps, the state could have to leave more water in the Delta to comply with state environmental laws, meaning there would be less water available for the State Water Project.

Farm groups applauded the new Delta plan. “This is the dawn of a new science-based approach to water and ecosystem management,” said Mike Wade of the California Farm Water Coalition. “We are anxious to put these new policies into practice and expect to see a positive response for water users and the environment in the years to come.”

Congressional Republicans from California also chimed in. The new plan will “help ensure our constituents receive the water they are entitled to or contract and pay for,” said a group of seven congressmen, including Devin Nunes, Tom McClintock and House Minority Leader Kevin McCarthy of Bakersfield, in a joint statement.

Congressional Democrats — including U.S. Sen. Dianne Feinstein, considered a leader on water issues — said they would take a wait-and-see approach.

California fights Trump on everything — except water

By [DEBRA KAHN](#)

10/21/2019 10:28 PM EDT

<https://www.politico.com/states/california/story/2019/10/21/california-fights-trump-on-everything-except-water-1225729>

MANTECA — California is providing health care to undocumented immigrants while President Donald Trump wants to build a border wall, and Gov. Gavin Newsom circumvented the White House with a side deal on auto emissions standards.

But when it comes to water, Trump and California are closer than you might think.

About 90 minutes from the deep blue coast, the predictable political fault lines stop at the Central

Valley, home to the state's \$70 billion agricultural industry.

Environmental laws, droughts and urban growth have led to a three-decade decline in farm water and stoked an acidic political logjam visible to anyone who's driven down Interstate 5, the backbone of the state's highway system. Billboards accuse House Speaker [Nancy Pelosi](#) of ushering in a "Congress-created dust bowl" and declare "No water = no jobs" through the arid, 450-mile-long valley.

Trump is now poised to deliver on a 2016 promise to send more water to the region. His administration today issued major changes that relax endangered species protections for salmon and Delta smelt, a 3- to 4-inch fish that has long served as a punching bag for Central Valley leaders.

Newsom normally revels in rebuking Trump, but the governor shocked environmentalists last month with the speed with which he essentially sided with the president by blocking legislation that could have stopped Trump's endangered species rollbacks.

Officials Praise New Biological Opinions for the SWP and CVP

October 22, 2019

<http://agnetwest.com/officials-praise-new-biological-opinions-for-the-swp-and-cvp/>

The U.S. Fish and Wildlife Service and National Marine Fisheries Service have released new biological opinions that will have a significant impact on the administration of California water supplies. The new documents relate to salmon, Delta smelt and other native fish species that are affected by the management of the State Water Project (SWP), as well as the Central Valley Project (CVP).

"The new Biological Opinions mean that for farms, fish, and people, this is the dawn of a new science-based approach to water and ecosystem management," California Farm Water Coalition Executive Director Mike Wade [said in a news release](#). "The biological opinions being replaced were based on an arbitrary, calendar-based approach, and have not delivered the successful recovery of salmon and Delta smelt populations."

The latest proposal includes habitat management measures in the Delta as well as entrainment management related to water exports in the South Delta. Regional Director of the Mid-Pacific Region of the Bureau of Reclamation Ernest Conant noted his optimism that the proposed operation will have a far greater impact on the environment than previous plans and will improve conditions for farms and communities.

Representatives John Garamendi, Josh Harder, Jim Costa, and TJ Cox, as well as U.S. Senator Dianne Feinstein also [released a statement](#) supporting the update to the biological opinions. "The Endangered Species Act requires periodic reviews to determine the best available science. The federal government's science for Chinook salmon and Delta smelt was more than a decade old and needed to be updated, especially given climate change."

The SWP, administered by California's Department of Water Resources, and the CVP, operated by the Bureau of Reclamation, have been managed using biological opinions that were issued in 2008 and 2009. Conant also noted that water allocations for 2020 will be based on the information established in the latest biological opinions.

Diablo Canyon Nuclear Plant Should Not be Shut Down

Cunningham to introduce bill aimed at keeping Diablo Canyon Power Plant open

Posted: 2:16 PM, Oct 11, 2019

Updated: 8:08 PM, Oct 11, 2019

By: [Katherine Worsham](#)

<https://www.ksby.com/news/local-news/cunningham-to-introduce-bill-aimed-at-keeping-diablo-canyon-power-plant-open>

Assemblyman Jordan Cunningham says he plans to introduce a bill that could keep Diablo Canyon Power Plant operational.

Pacific Gas and Electric Company (PG&E) plans to shut down the nuclear power plant near Avila Beach by 2025.

Cunningham's bill would:

- *Classify nuclear power as a renewable under the state's Renewable Portfolio Standard*
- *Mandate that California's Public Utility Commission not approve a PG&E bankruptcy or settlement plan that does not include a plan to continue operation of the Diablo Canyon Nuclear Power Plant*
- *Mandate that no less than \$1 billion of the proceeds of any sale of the Diablo Canyon plant shall be earmarked to pay fire victims*
- *Mandate that no less than \$300 million of any proceeds of the Diablo Canyon sale shall be spent on hardening the electrical grid to help prevent catastrophic wildfires*



Diablo Canyon Nuclear Power Plant

"Californians deserve an all-of-the-above approach to fighting climate change. Diablo Canyon Nuclear Power Plant, an emission-free source of electricity that supplies the state with nine percent of its power, needs to be a part of the answer," Cunningham said in a statement released Friday.

Cunningham plans to introduce the bill when the legislative year starts in January.

KSBY News reached out to PG&E for comment but has not yet heard back.

In August, Cunningham introduced a bill that would qualify nuclear power as a renewable energy source. At that time, PG&E said the [proposal](#) did not change the company's plan to decommission the plant.