

## PG&E's Dwindling Resources – Preemptive Blackouts Suggest Critical Deficits

By Grace Tepley J.D. Candidate 2022 | October 31, 2019

This past week, residents of Northern California prepared for [the third major power outage](#) in the last month as PG&E struggled to prevent its powerlines from causing hazardous fires. Extremely dry and windy conditions, combined with PG&E's antiquated infrastructure, led the company to cut power to potentially [millions](#) of residents in an effort to prevent sparking wildfires.

Earlier this October, PG&E's initial round of preemptive blackouts to hundreds-of-thousands of residents faced widespread disapproval. Politicians and customers alike were quick to criticize PG&E's [lack of preparation](#), as it largely failed to give advance notice of outages and its website crashed during the event. Governor Newsom weighed in on the matter by articulating the blackout's threat to public safety and negative economic impact. Newsom ultimately proposed that PG&E [compensate](#) those that lost power.

However, while PG&E's President and CEO, Bill Johnson, acknowledged the missteps, he insisted that the intentional outages achieved the goal of preventing fires and [protecting human life](#). That being said, Johnson also recognized that failing infrastructure presents a significant challenge for PG&E moving forward, suggesting that Californians may be forced to deal with these outages for a [decade](#) as the company struggles to modernize and maintain basic operations.

Amidst the public backlash and widespread outages, PG&E proceeds with its [bankruptcy filings](#), citing an impending multibillion-dollar lawsuit holding it accountable for last years' Camp Fire that decimated Paradise, California. However, this is not the only trouble PG&E is facing. As power becomes less reliable, PG&E simultaneously [increased rates](#), further aggravating customers. Accordingly, it is uncertain whether PG&E will overcome the latest allegations of its role in the recent Kincadee fire, as its [share price has reached a record low](#).

These financial woes, coupled with increased public scrutiny, have led some to question PG&E's future. Governor Newsom recently indicated that it may be time to [consider breaking up PG&E](#). Similarly, federal bankruptcy proceedings may result in PG&E [surrendering restructuring power to bondholders](#). While the future of PG&E is uncertain, in the short term it appears that the preemptive power outages may be here to stay.

