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August 26, 2020

### **VIA E-MAIL ONLY**

Caroline Thomas Jacobs, Director  
Wildfire Safety Division  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, California 94102  
[wildfiresafetydivision@cpuc.ca.gov](mailto:wildfiresafetydivision@cpuc.ca.gov)

Re: **Comments of the Coalition of California Utility Employees on the Wildfire Safety Division Staff Proposal on Changes to the Wildfire Mitigation Plan Requirements and Metrics Tables**

Dear Ms. Jacobs:

We write on behalf of the Coalition of California Utility Employees (CUE) to provide comments on the Wildfire Safety Division Staff Proposal on Changes to the Wildfire Mitigation Plan Requirements and Metrics Tables<sup>1</sup> and associated topics presented at the August 11-12, 2020 Workshops.

## **I. INTRODUCTION**

CUE is a coalition of labor unions whose approximately 43,000 members work at nearly all the California utilities, both publicly and privately owned. CUE's coalition union members make up the on-the-ground workforces of the three large electrical corporations that implement electric operations and maintenance policies and practices, including, for example, service restoration following a power safety power shutoff event. CUE's coalition union members are directly impacted by implementation of the IOUs' wildfire mitigation plans (WMPs). CUE has participated in proceedings before the California Public Utilities Commission for 25

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<sup>1</sup> Wildfire Safety Division, Staff Proposal on Changes to Wildfire Mitigation Plan Requirements and Metrics Tables (Aug. 11, 2020) (*hereinafter* "Staff Proposal"), *available at* [https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/About\\_Us/Organization/Divisions/WS/D/Wildfire%20Mitigation%20Plan%20WSD%20Staff%20Proposal%2020200805.pdf](https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/About_Us/Organization/Divisions/WS/D/Wildfire%20Mitigation%20Plan%20WSD%20Staff%20Proposal%2020200805.pdf).

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years, including as a party to the Order Instituting Rulemaking to Implement Electric Utility Wildfire Mitigation Plans Pursuant to Senate Bill 901 (2018), R. 18-10-007 and other related proceedings.

CUE's comments focus on the Division's proposals to require the IOUs to include in their plans the costs and risk spend efficiencies for wildfire mitigation programs, require IOUs to include in their plans a narrative explanation of worker qualifications and utility training programs, and to implement the System Hardening for Electric Utility Resiliency (SHEUR) threshold recommended by the Wildfire Safety Advisory Board (WSAB).

## **II. WILDFIRE MITIGATION COSTS AND COST-EFFECTIVENESS ARE EVALUATED IN EACH UTILITY'S GENERAL RATE CASE, NOT THEIR WMPs**

The Division proposes to require that IOUs include actual and planned spending for mitigation programs in their WMPs.<sup>2</sup> In addition, the Division would require that IOUs calculate a risk-spend efficiency (RSE) for both individual mitigations and for aggregated categories of mitigations, along with the methodology for the RSE calculations.<sup>3</sup> Mandating inclusion of cost and cost-effectiveness is not legally proper because legislative history makes clear that this analysis is not part of WMPs. Rather, these issues are to be addressed in each utilities' general rate case (GRC).

The devastating wildfires in 2017 and 2018 made two things clear: (1) a large cost that prevents even one wildfire is less than the cost inflicted by a wildfire, even one that takes no lives, and (2) fire prevention activities can't wait. The Governor and Legislature understood this when they enacted SB 901, tasking the Commission with ensuring that electric utilities' systems "will achieve the highest level of safety, reliability and resiliency."<sup>4</sup> SB 901 was the product of the Conference Report of the Wildfire Preparedness and Response Legislative Conference Committee (Wildfire Committee).<sup>5</sup>

Prior to the Wildfire Committee, SB 901 was a bill focused on the policy for de-energizing lines. That bill became the vehicle for the Conference Report. SB

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<sup>2</sup> Staff Proposal at p. 7.

<sup>3</sup> *Id.* at pp. 8-9.

<sup>4</sup> Pub. Utilities Code § 8386(c)(12).

<sup>5</sup> See generally California State Senate, Wildfire Preparedness and Response Legislative Conference Committee, <https://focus.senate.ca.gov/wildfirecommittee> (2019).  
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901's language came from many sources, but SB 1088 served as the primary source for the new provisions in Public Utilities Code section 8386. Section 8386 as written in SB 901 differed from the language of SB 1088 in one critical respect: the consideration of all issues of the cost and cost effectiveness of wildfire mitigation.

A core feature of SB 1088 was to change the current practice of considering the cost and cost effectiveness of utility safety activities in the GRC. SB 1088 would have created a new proceeding that combined safety plans for wildfire (and other risks) with consideration of the cost and cost effectiveness of various measures in those plans. The new proceeding would have *replaced* the safety portion of the GRC.<sup>6</sup> The rationale was that when the safety plan was considered, the cost and cost effectiveness of the elements in the plan should be considered in the safety plan proceeding itself rather than in the separate GRC proceeding.

This aspect of SB 1088 was vigorously opposed by TURN. TURN testified before the Senate Energy, Utilities and Communications Committee that the Commission devoted lots of effort to developing its Risk Assessment Mitigation Phase process that comprehensively considered the cost and cost effectiveness of safety risk mitigation. TURN said, correctly, that SB 1088 would eliminate this process and replace it with a new proceeding. At subsequent hearings, TURN called the bill a “blank check for utilities” *because costs and cost effectiveness would be considered in the new safety plan proceeding rather than in a GRC.*<sup>7</sup> The question of whether cost and cost effectiveness should be considered in the safety plan proceeding or in the GRC was a major point of contention.

SB 1088 passed out of the Senate and two Assembly Committees. But while it awaited action from the Assembly Appropriations Committee, the Wildfire Committee became the new forum to address wildfire mitigation efforts and SB 901 became the legislative new vehicle. However, some of SB 1088's provisions were incorporated into SB 901 primarily through Governor Brown's proposal.<sup>8</sup>

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<sup>6</sup> See SB 1088 (Dodd), Section 4 (proposing Chapter 11, Utility Infrastructure, Safety, Reliability, and Accountability) (Feb. 12, 2018), available at [http://leginfo.legislature.ca.gov/faces/billPdf.xhtml?bill\\_id=201720180SB1088&version=20170SB108893AMD](http://leginfo.legislature.ca.gov/faces/billPdf.xhtml?bill_id=201720180SB1088&version=20170SB108893AMD).

<sup>7</sup> D. Baker, *California Wildfire Bill Could Lead to Overspending, Group Warns*, San Francisco Chronicle (Apr. 16, 2018), <https://www.sfchronicle.com/business/article/California-wildfire-bill-could-lead-to-12839000.php>.

<sup>8</sup> Letter to The Honorable Bill Dodd, California State Senate, from Edmund G. Brown, Jr., Office of the Governor re: Wildfire Legislation Proposal (July 24, 2018), available at 1011-1696acp

Most importantly, Governor Brown’s proposal, and ultimately SB 901’s final language, pointedly omitted all the provisions related to cost and cost effectiveness. In fact, the Governor’s proposal expressly required consideration of cost and cost effectiveness in the GRC: “The commission shall consider whether the cost of implementing each electrical corporation’s plan is just and reasonable *in its general rate case application*.”<sup>9</sup> This is the exact language enacted.

To further confirm that cost is simply not a subject of the WMP proceeding, SB 901 required the Commission to authorize memorandum accounts to track costs incurred to implement the plan.<sup>10</sup> Those costs are reviewed in the GRC,<sup>11</sup> not in the WMP proceeding.

Following the first iteration of WMPs, the governor and legislature enacted AB 1054 and AB 111 which established a new framework for reviewing wildfire mitigation plans. AB 1054 did not, however, change the review of wildfire mitigation plan *costs*, which still occurs in the GRC.<sup>12</sup> Moreover, because the WMP process is not about cost, but instead about swiftly reviewing and approving plans, AB 1054 requires the Division to approve or deny wildfire mitigation plans within three months of submission.<sup>13</sup>

Given this legislative history, it is clear all questions related to cost of wildfire mitigation programs are for the GRC.

### III. CUE SUPPORTS THE INCLUSION OF INFORMATION REGARDING UTILITY WORKER QUALIFICATIONS AND IMPROVEMENTS TO WILDFIRE MITIGATION TRAINING PROGRAMS

The Division correctly recognizes that prior WMPs lacked information on qualifications of utility workers, including direct employees and contractors, as well as information on utility training programs to properly train wildfire mitigation

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[https://focus.senate.ca.gov/sites/focus.senate.ca.gov/themes/wildfirecommittee/files/Governor-Brown-Proposal\\_072418.pdf](https://focus.senate.ca.gov/sites/focus.senate.ca.gov/themes/wildfirecommittee/files/Governor-Brown-Proposal_072418.pdf).

<sup>9</sup> Pub. Utilities Code § 8386(g) (emphasis added) (now codified at *id.* § 8386.4(b)(1)).

<sup>10</sup> *Id.* § 8386(e) (now codified at *id.* § 8386.4(a)).

<sup>11</sup> *Id.* § 8386(g) (now codified at *id.* § 8386.4(b)(1)).

<sup>12</sup> *Ibid.*

<sup>13</sup> *Id.* § 8386.3.

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workers.<sup>14</sup> To correct these deficiencies, the Division recommends requiring a narrative explanation of the qualifications of utility workers who implement mitigation activities, including the percentage of electrical workers that have attained the status of Qualified Electrical Worker (QEW) for specific inspections.<sup>15</sup> In addition, the Division recommends requiring an explanation of how IOUs are improving outreach and onboarding training programs.<sup>16</sup> CUE wholly supports these recommendations.

As the WSAB observed, the level of expertise currently relied upon by IOUs to perform electrical inspections varies across the utilities.<sup>17</sup> For example, PG&E deploys journeyman linemen to complete the necessary asset inspections within High Fire Threat Districts, but SCE and SDG&E use a mix of linemen and overhead inspectors to complete similar tasks. While overhead inspectors have basic knowledge of General Order 95, these workers do not have the expertise or experience required, such as identifying what infrastructure may need to be replaced, re-engineered, or sectionalized. The IOUs must train, retain, and hire enough QEWs to complete the necessary wildfire mitigation inspections to make the electrical systems more resilient and resistant to wildfire.

A dedicated workforce of qualified inspectors will provide a level of skill and experience that the Commission, Division, and the public can rely on for accurate and informative mapping of IOU assets, as well as ensure that those assets are being managed safely and properly. Investing in training programs and developing the workforce now will produce substantial long-term benefits.

#### **IV. THE SHEUR THRESHOLD SHOULD NOT BE INCLUDED IN WMPs BECAUSE COST-EFFECTIVENESS IS ADDRESSED IN GRCS**

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<sup>14</sup> Staff Report at p. 10.

<sup>15</sup> *Ibid.*

<sup>16</sup> *Ibid.*

<sup>17</sup> Wildfire Safety Advisory Board, Recommendations on the 2020 Utility Wildfire Mitigation Plans (Apr. 15, 2020) p. 22, *available at*

[https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/About\\_Us/Organization/Divisions/WSAB/WSAB%20Recs%20on%202020%20Utility%20WMPs%20-%20Final%20Approved%20Executed%204.17.2020.pdf](https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/About_Us/Organization/Divisions/WSAB/WSAB%20Recs%20on%202020%20Utility%20WMPs%20-%20Final%20Approved%20Executed%204.17.2020.pdf).

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At the August 11, 2020 workshop, the WSAB presented their recommendations for developing and implementing the SHEUR threshold.<sup>18</sup> The purpose of the SHEUR threshold is to measure the cost-effectiveness and reduction in wildfire risk for wildfire mitigation measures, with an emphasis on avoiding public safety power shutoffs (PSPS).<sup>19</sup> According to the Board, a SHEUR threshold is necessary to establish a regulatory standard for how IOUs identify and quantify wildfire risk, thereby increasing transparency, and to establish an acceptable level of operational risk an electrical utility should assume before initiating a PSPS event.<sup>20</sup> To create a SHEUR threshold, IOUs would (1) develop risk profiles for their assets, (2) develop wind projections and wildfire consequence mapping, (3) analyze their grids to determine circuits that have an unacceptable risk of wildfires and PSPS events, and (4) use RSE calculations to determine the most cost-effective application of wildfire mitigation resources to decrease wildfire risk and PSPS events.<sup>21</sup>

While CUE fully supports the IOUs analyzing their grids to determine what hardening must be done to prevent wildfires and PSPS events, the IOUs are already doing this. The SHEUR threshold appears to be merely another approach to applying RSE calculations. As explained above, the legislature already determined that cost and cost-effectiveness considerations for wildfire mitigation measures must occur in GRCs, not WMPs. This is because the focus and purpose of WMPs is ensuring that IOUs' systems achieve the highest level of safety, reliability and resiliency.<sup>22</sup>

## V. CONCLUSION

CUE appreciates the Division's ongoing efforts to improve WMPs and reduce the risk of utility-caused wildfires. CUE is committed to assisting the utilities' wildfire mitigation efforts and ensure that the grid is maintained in a safe and reliable manner. CUE supports the Division's recommendations to improve IOU training programs and hire qualified electrical workers. However, CUE cannot

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<sup>18</sup> Wildfire Safety Advisory Board, Recommendations for Developing the SHEUR Threshold (Aug. 11, 2020), *available at*

[https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/News\\_Room/NewsUpdates/2020/WSAB%20Recommendations%20for%20Developing%20the%20SHEUR%20Threshold.pdf](https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/News_Room/NewsUpdates/2020/WSAB%20Recommendations%20for%20Developing%20the%20SHEUR%20Threshold.pdf).

<sup>19</sup> *Id.* at p. 3.

<sup>20</sup> *Id.* at p. 5.

<sup>21</sup> *Id.* at p. 6.

<sup>22</sup> *Id.* § 8386(c)(13)).

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support including cost and cost-effectiveness of mitigation programs in the utilities' WMPs because the legislature determined that these issues should be addressed in GRCs. For the same reason, CUE opposes the SHEUR threshold.

Thank you for your consideration of these comments.

Sincerely,



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Cc: Service List of R.18-10-007

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