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VIA EMAIL

Wildfire Safety Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: San Diego Gas & Electric Company's Comments on Draft Resolutions WSD-002 and WSD-005 Regarding the 2020 Wildfire Mitigation Plans

Dear Wildfire Safety Division:

Pursuant to the instructions provided by the Wildfire Safety Division (WSD) in Draft Resolution WSD-002 (Draft Guidance Resolution) and Draft Resolution WSD-005 (Draft SDG&E Resolution) (together, Draft Resolutions), San Diego Gas & Electric Company (SDG&E) submits these comments on the WSD's guidance on the 2020 Wildfire Mitigation Plans (WMPs or Plans) and its conditional approval of SDG&E's 2020 WMP. SDG&E generally supports the Draft Resolutions. In these comments, SDG&E offers clarifications and suggested modifications to certain findings in the Draft Resolutions for the WSD's consideration.

Foremost among the errors in the Draft Resolutions and associated materials was the unnecessary and likely unintended uncertainty WSD created by approving the 2020 WMPs "with conditions." In its Draft Action Statement on SDG&E's 2020 WMP,¹ as well as in Draft Resolutions WSD-002 and WSD-005, WSD failed to make clear that WMP approval with conditions constitutes "approval" within the meaning of Public Utilities Code Sections 8386.3 and 8389. In other words, approval with conditions should not impact SDG&E's ability to obtain an annual safety certificate in 2020 pursuant to Section 8389.

WSD also erred in certain of the conditions it imposed on SDG&E. SDG&E discusses these and other errors in greater detail below and respectfully requests that WSD correct the Draft Resolutions consistent with these comments.

¹ Draft Resolution WSD-005 is preceded by a WSD's Draft Action Statement on SDG&E's 2020 WMP (Draft Action Statement).

I. Meaning of Conditional Approval

In its Draft Action Statements and in Resolutions WSD-002 and WSD-005, WSD erred in failing to make clear that conditional approval of a 2020 WMP constitutes “approval” within the meaning of Public Utilities Code Sections 8386.3 and 8389.² Most significantly, while SDG&E assumes that WSD’s conditional approval is not intended to impact its ability to obtain an annual safety certification in 2020 – for which an approved WMP is a prerequisite – WSD should explicitly indicate that it had no intention to create any doubt about the ability to obtain a safety certification.

As an initial matter, WSD is authorized by Public Utilities Code Section 8386.3(a) to “approve or deny each wildfire mitigation plan....” That statutory provision also provides that “[b]efore approval, the division may require modifications of the plan.” The statute does not, however, contemplate the action WSD has taken – approval with conditions. WSD’s action does not fall within the meaning of “modifications of the plan,” because such modifications must be completed *before* approval, and in its Draft Resolutions, WSD has in fact required further utility action on deficiencies *after* its conditional approval. Indeed, certain deficiencies (*e.g.*, Class C) are not even to be addressed until submission of 2021 WMPs. Thus, WSD has arguably erred in implementing Section 8386.3 by approving SDG&E’s 2020 WMP with conditions. While SDG&E is willing to comply with the conditions set forth in Resolution WSD-005 and is committed to wildfire mitigation and prevention more broadly, subject to these comments, it reserves its rights to further challenge WSD’s implementation of Section 8386.3 if WSD does not provide the requested clarification regarding the meaning of conditional approval with respect to the annual safety certification.

Such clarification is particularly important given the significance of annual safety certifications to electrical corporations. Safety certifications are a key part of the overall scheme established in Assembly Bill 1054 with respect to utility liability, reasonableness reviews and cost recovery. A valid safety certification confers two significant benefits on utilities (as part of an overall package of trade-offs): (1) a presumption of reasonableness in a CPUC wildfire proceeding,³ and (2) a cap on liability for utility reimbursements to the Wildfire Fund in the event of an imprudence determination.⁴ For its part, SDG&E has made significant financial commitments necessary to participate in the Wildfire Fund, including an initial contribution of \$322.5 million and an annual contribution of \$12.9 million. SDG&E is also prevented from including in equity rate base \$215 million in WMP capital expenditures.⁵

On May 8, 2020, WSD issued guidance to SDG&E and other utilities for submission of safety certificate renewals. In that guidance, however, WSD again

² See, *e.g.*, “Wildfire Safety Division Draft Action Statement on [SDG&E]’s 2020 Wildfire Mitigation Plan,” (May 7, 2020) at 5; Resolution WSD-005 at 1-2.

³ See Public Utilities Code Section 451.1(c).

⁴ See Public Utilities Code Section 3292(g).

⁵ Public Utilities Code Section 8386.3(e).

remained silent on how “approval with conditions” relates to the annual safety certification renewals. Given that WSD has not indicated that approval with conditions in any way impacts the renewal of SDG&E’s safety certification, SDG&E assumes there is no issue in that respect. Nevertheless, ambiguity exists due to WSD’s silence. Given the enormous stakes –including the utility’s ability to raise capital – associated with maintaining a valid safety certificate, SDG&E requests that WSD clarify in writing that it intends approval with conditions to fall within the meaning of approval for purposes of Section 8386.3 and Section 8389.

Relatedly, WSD erred in failing to explain what process it will use to address utility submissions intended to resolve deficiencies or conditions. It is not clear how or when WSD will determine that a utility has satisfied a condition. WSD should provide additional clarity on its intended process.

II. Comments on Draft Resolution WSD-002 (Guidance Resolution)

A. Condition Guidance 1, 2, and 5: Lack of Risk Spend Efficiency Information, Alternatives Analysis, and Aggregation of Initiatives into Programs

The WMP Guidelines were issued on December 16, 2019,⁶ seven weeks before the electric utilities’ WMP were due. Given the timeframe provided for the utilities to meet the requirements for the WMP set forth therein, SDG&E submits that its 2020 WMP contained sufficient detail on its risk reduction calculations that are based on the Risk Assessment Mitigation Phase (RAMP) requirements. Nevertheless, SDG&E understands WSD’s goal to move utilities to eventually have initiatives and associated risk spend efficiencies (RSE) that can be compared on an apples-to-apples basis. Consistent with the WSD’s direction, SDG&E is continuing to refine its RSE assessment methodologies to provide more granularity and greater transparency into its mitigation proposals. SDG&E, however, posits that more granularity should not necessarily mean utilizing the same initiative categories set forth in the WMP Guidelines.

Many of the initiative categories are not susceptible to quantification of a direct effect of ignition reduction. For example, initiatives such as having a centralized repository for data, allocation methodology development and application and community engagement do not have a direct quantifiable reduction effect on ignitions and are therefore not applicable to the same RSE calculation methodology. Furthermore, alternative analyses are not available for all initiatives because many of the initiatives have been established for many years now and therefore did not have any new alternative analysis to report on for the 2020 WMP. As such, SDG&E requests that conditions 1, 2, and 5 be modified to focus solely on initiatives for which a direct reduction of ignitions

⁶ Rulemaking (R.) 18-10-007, Administrative Law Judge’s Ruling on Wildfire Mitigation Plan Templates and Related Material and Allowing Comment, Attachment 1 – WMP Guidelines (December 16, 2019), as clarified by the WSD on January 15, 2020 and January 29, 2020.

can be calculated, which allow for grouping of similar initiatives to aid with risk assessments and limit alternative analysis showing to new initiatives.

Should the WSD retain the conditions as they are, SDG&E requests that they be reclassified from Class B to Class C to allow for more time to evaluate the requirements with the WSD to better define the initiatives and develop methodologies to meet these requirements. Because meeting these requirements may require new accounting systems and assessment methodologies, SDG&E urges the WSD to carefully evaluate these conditions and their proposed timeframes.

B. Condition Guidance 4: Lack of Discussion on PSPS Impacts

In this condition, WSD requests additional detail regarding how its WMP initiatives affect PSPS events.⁷ While SDG&E did provide information regarding this issue, it is willing to comply with this condition and provide further information.⁸

Nevertheless, SDG&E submits that WSD should provide important clarifying guidance regarding utility initiatives that reduce PSPS impacts. WSD repeatedly stated its expectation that PSPS events would be reduced: “Furthermore, the WSD expects the electrical corporations to continue to make meaningful progress on PSPS mitigation goals, including continuing with sectionalization projects, local outreach and coordination, establishing customer resource centers, and microgrid projects.”⁹ Separately, however, WSD noted that “SDG&E’s WMP includes a large increase in spending from 2019 actuals to 2020 projected, with an emphasis on costly initiatives such as underground and covered conductor through the 2020 plan period.”¹⁰

In its 2020 WMP, SDG&E indicated that such wildfire mitigation initiatives also reduce PSPS impacts. For instance, SDG&E noted that “[l]ooking forward over the next 10 years, SDG&E’s long term vision is to reduce the risk of wildfires, as well as customer impacts of PSPS” and that “overhead hardening” and “undergrounding” are key elements of that dual impact strategy.¹¹

As noted, SDG&E is willing to comply with this condition, and it plans to make cost effective expenditures to achieve both wildfire mitigation *and* PSPS reductions. While WSD recognized that SDG&E’s initiatives involve significant expenditures, it has not acknowledged that significant expenditures will be needed to achieve the PSPS reductions it directed the utilities to undertake. To avoid any confusion as to its expectations, WSD should make clear to all stakeholders that PSPS reduction initiatives will involve significant expenditures that should be made in reasonable fashion by the utilities.

⁷ Draft Resolution WSD-002 at 19-20.

⁸ See, e.g., SDG&E 2020 WMP at 81-85.

⁹ Draft Resolution WSD-002 at 6.

¹⁰ WSD Draft Action Statement on SDG&E’s 2020 WMP at 6.

¹¹ See SDG&E 2020 WMP at 73.

C. Condition Guidance 8: Prevalence of Equivocating Language – Failure of Commitment

Condition 8 requires the electric utilities to: include objectives for each of its initiatives that are measurable, quantifiable, and verifiable by the WSD; provide targets and timelines for all strategies, plans, and approaches to wildfire mitigation that are measurable, quantifiable and verifiable by the WSD; and dispense with empty rhetoric and not use terms that are ambiguous, misleading, or otherwise have the result of diluting commitments.

SDG&E submits that Tables 21-30 of its WMP identified a measurable, quantifiable target for every proposed mitigation that had an associated target. In fact, in the WMP Guidance, the only target requested was miles hardened, which only applied to SDG&E's Cleveland National Forest, overhead, and underground hardening programs. For all other mitigation programs, SDG&E added Tables 22A-25A to include inspection and equipment replacement targets. In total, SDG&E is tracking 42 progress metrics on 29 different mitigations, defining both quantity and timing of the goals.

While SDG&E has set measurable goals around its programs, SDG&E still believes it is prudent to explain in its WMP that certain challenges involving permitting and environmental issues could impact projects. Unforeseen issues (*e.g.*, pandemics) could also impact progress on projects. This does not dilute SDG&E's commitment to its completion of its wildfire mitigation initiatives, but rather highlights that projects can have a high variance in cost and schedule due to forces beyond SDG&E's control, which can impact the plan and goals, and are a relevant discussion in the WMP.

D. Condition Guidance 9: Insufficient Discussion of Pilot Programs

SDG&E generally agrees with Guidance 9. The objective of pilot programs should be stated, and there should be ways to measure effectiveness or ineffectiveness of the pilot to justify further expansion. But it will take some time before certain pilots, and particularly the pilots for fire hardening initiatives, can be measured in terms of effectiveness. For example, SDG&E has proposed a covered conductor pilot where the reliability history (*e.g.*, faults and ignitions) on the line segments will be measured before and after covered conductor is installed. Based on how the technology is anticipated to perform, SDG&E expects to see less faults overall, and particularly a significant reduction in faults due to foreign object in line contacts on the covered conductor installations. While SDG&E can and will measure performance right after installation, it will take several years of observing the operational performance to gather a large enough sample of time to show meaningful results. Thus, Guidance 9 should be modified to recognize such timing issues.

E. Condition Guidance 10: Data Issues – General

Guidance 10 requires the electrical corporations to ensure that all future data submissions to the WSD adhere to the forthcoming data taxonomy and schema currently

being developed by the WSD. It also requires utilities to provide more details in their next quarterly report not only on location and type of mitigation work but also inclusive of the analysis which led to specific target of mitigation work. As is described in the deficiency description, the basic premise for this condition was inconsistent formats of GIS data. SDG&E estimates that the first quarterly report would be due in early September, and it is unknown when WSD will issue its data taxonomy and schema. In order to avoid repeating the same deficiencies, SDG&E submits it would be beneficial to take more time to understand the data taxonomy and schema file when it is issued by the WSD and take more time to develop the right formats. Accordingly, SDG&E requests that this be reclassified as a Class C Deficiency.

F. Condition Guideline 12: Lack of Detail on Long-Term Planning

WSD's Guidance 12 should be rescinded. As an initial matter, SDG&E did provide detailed information regarding its expected state of wildfire mitigation in 10 years. Nevertheless, SDG&E respectfully submits that WSD has overstepped its statutory authority in requiring 10 years of data, timelines, activities and descriptions via quarterly report submissions. Setting aside the burdensome nature of this requirement, Public Utilities Code Section 8386(b) authorizes WSD to require utility submission of such information covering a three-year time period, not 10 years. Likewise, WSD is authorized to approve or deny each plan for a one to three year period, and it is not authorized to approve or deny actions extending beyond that period. In any event, while SDG&E requests that WSD rescind Guidance 12, if it does not do so, SDG&E submits that this should be reclassified as a Class C Deficiency. The information requested does not lend itself to quarterly updates due to the time it will take to prepare, the volume of information that may be involved, and the fact that it does not bear on approval of the 2020 WMPs.

III. Comments on Draft Resolution WSD-005 (SDG&E Resolution)

A. Draft Action Statement: Initiatives

In its Draft Action Statement (at 7-8), the WSD questions SDG&E's covered conductor pilot program, stating:

For example, SDG&E's WMP reports that the utility plans to pilot the use of covered conductor in 2020 and increase investment in this initiative from \$0 in 2019 to \$10.8M in 2022, without reporting detail on this new approach or on the evidence of effectiveness anticipated from the pilot, or the RSE level that would support such increases in investment.

SDG&E submits its covered conductor pilot is reasonable. Further, SDG&E adequately explained the anticipated effectiveness of this pilot mitigation in its 2020

WMP.¹² Currently, SDG&E has very little covered conductor installed in its system, none of which is the self-supported covered conductor type that is planned for installation in 2020. As such, SDG&E is only able to forecast program costs based on the difference between material cost for bare and covered conductors and the projected increased wind loading impact on structure loads. For projecting effectiveness, SDG&E relies on the experiences communicated by other utilities that utilize the covered conductor material in Australia and Europe, and the logic behind an insulated material being able to resist arcing which should mitigate risks like balloon contacts and small vegetation contacts, providing increased risk reduction over traditional overhead hardening.

Actual installation costs and effectiveness results based on actual before and after reliability results will not be available until SDG&E's covered conductor pilot program installations are complete. To measure these results however, there needs to be a sufficient sample size, and SDG&E considers the 21 miles of covered conductor in its plan to be a small and reasonable sample when compared to the rest of hardening activities in its WMP.

B. Draft Action Statement: Resource Allocation Methodology

As part of its review, WSD strives to determine whether the electric utilities are effectively using resources to reduce wildfire ignition risk. WSD notes an increase in SDG&E's annual spending on WMP activities and states that:

SDG&E has not provided the data needed to quantitatively show the level of ignition reduction that would result from its planned mitigations... SDG&E's historical wildfire mitigation implementation, few ignitions, and mature situational awareness relative to peers raises the question of where and when SDG&E will find diminishing wildfire risk reduction returns on some investments.

Much of this could be resolved by quantitatively showing the level of risk reduction and cost for its initiatives and providing evidence that the initiatives that SDG&E selects are a more efficient use of resources than alternatives. SDG&E has presented RSE estimates for 17 of 52 initiatives (where reported spend was greater than zero), totaling 61% of plan spend, but SDG&E could provide more detail to show the rigor and assumptions behind its RSE calculation as well as show RSE estimates for alternative initiatives that address similar risk drivers.¹³

¹² "Covered Conductor mitigates equipment failure and most foreign objects in line contacts, which creates a greater risk reduction than overhead hardening, but at higher cost." SDG&E 2020 WMP at 71.

¹³ Draft Action Statement at 8.

SDG&E performed RSE calculations in accordance with the requirements of the RAMP proceeding. The RSEs were submitted to the Commission through SDG&E's 2019 RAMP report, which was filed in November 2019, just a few months before the submittal of its 2020 WMP. SDG&E's RAMP report that is referenced in SDG&E's 2020 WMP provides the calculation assumptions and methodology that created the RSE scores.

SDG&E received critical feedback during its RAMP presentation that the scores did not do enough to take into account the customer impacts of PSPS, and how that weighed in mitigation decision making. SDG&E is currently working on an improved model that looks to quantify both wildfire risk and the customer risk of PSPS, including both the probability of PSPS based on historical usage, and developing ways to quantify customer impact beyond reliability indices. The model is able to quantify risk reduction, and identify the optimal mitigations (do nothing, traditional hardening, covered conductor, underground) based on RSE score. SDG&E believes this new model will address WSD's concerns above, but SDG&E reiterates that the development for RSEs and input on how they should be developed should be addressed through the S-MAP proceeding, and then applied through the RAMP and WMP filings.

C. Condition SDGE-7: Potential Redundancies in Vegetation Management Activities

WSD observed that the scope and magnitude of SDG&E's vegetation management program raised concerns about potential redundancies, and it raised concerns regarding SDG&E's Master Schedule, claiming that it only displays the schedule for routine vegetation inspections and work.¹⁴ These statements are erroneous. First, SDG&E's Master Schedule covers its routine operations including inspection, trimming, and auditing. Second, the off-cycle inspection activities including HFTD, Century plant, and bamboo are scheduled annually and are only "redundant" in the sense that the scoping is similar. But off-cycle patrols are scheduled to provide an additional inspection of trees. The difference in timing between routine and off-cycle inspections recognizes that the condition of the trees will change between inspection dates. Multiple inspections of trees within the annual cycle increases the likelihood that a potentially dangerous condition will be observed. SDG&E is willing to develop an off-cycle activity schedule to distinguish from its routine, Master Schedule.

D. Condition SDGE-13: Risk Reduction for Increased Clearances

WSD states that "as these vegetation management programs continue to grow in scope, detailed discussion or evidence of the effect of these increased vegetation clearances on utility ignitions remains lacking."¹⁵ WSD continues that "SDG&E does not detail proposed guidelines for where such clearance is both feasible and necessary, or scientific evidence or other data showing that such clearance will reduce wildfire risk."¹⁶

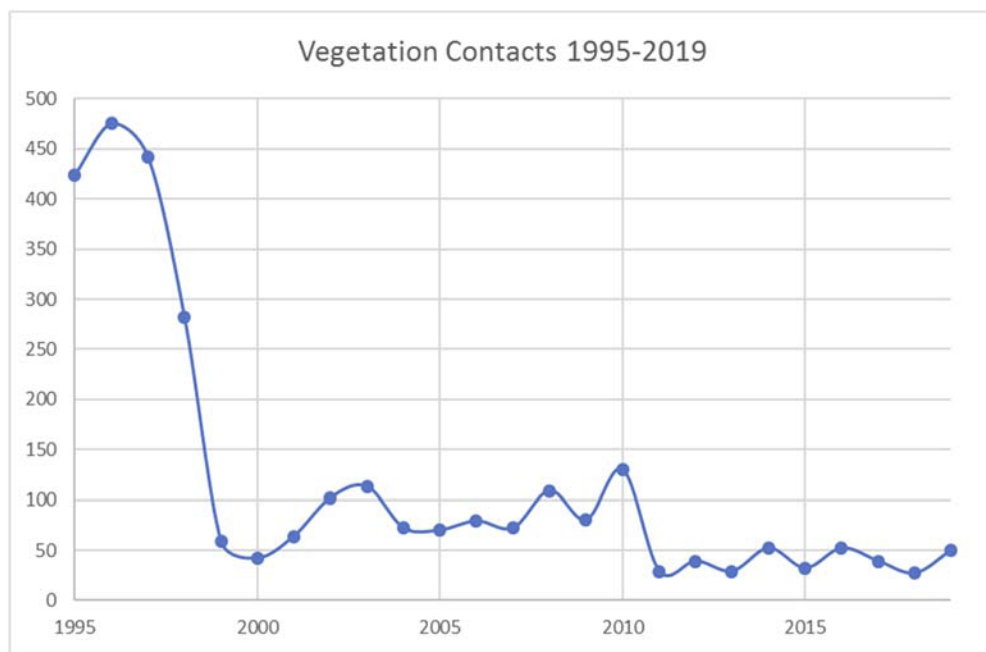
¹⁴ Appendix A to Draft Resolution WSD-005 at A5.

¹⁵ *Id.*, at A9.

¹⁶ *Id.*

These statements are erroneous. SDG&E has provided rational and supporting evidence at multiple instances in this proceeding, as part of data request responses and in workshops. Both logic and data support the assertion that greater post trim clearances lead to less vegetation contacts and therefore less vegetation caused ignitions.

In 1996, California increased its vegetation clearance requirements from 6-inches to 18-inches. The regulations set forth in Commission General Order (GO) 95, Rule 35 did not explicitly prohibit a company from maintaining greater clearances. Starting in 1999, SDG&E began to achieve and maintain a 10-12 foot post-trim clearance on all trees within its service territory. As depicted in the figure below, the reductions in vegetation contacts were dramatic.



Specifically, increasing the post-trim clearance from 6-inches to 10 feet reduced tree-related outages from an average of approximately 400 per year (1995-1998) to approximately 80 per year (1999-2010). During the 2008-2011 timeframe, SDG&E made two enhancements to its vegetation management program that resulted in a material reduction in vegetation contacts which included slightly increased post-trim clearance for high growth rate species including eucalyptus and palm (12-foot), as well as the requirement for off cycle patrols of bamboo and Century plants. This resulted in a reduction from approximately 80 contacts per year (1999-2010) to about 40 contacts per year (2011-2019). It should be noted that there were more winter storms in the years 1999-2010 than the following years 2011-2019, which also accounts for some of the improved performance.

In 2019, after the devastating California wildfires of 2017 and 2018, SDG&E looked for ways to further improve on its performance through a further reduction in

vegetation contacts. SDG&E analyzed the vegetation contact performance on its transmission system, where a minimum of 25-foot post-trim clearance is maintained. As shown in Table 11 of SDG&E’s WMP,¹⁷ vegetation contacts are nearly eliminated at this level, averaging less than one contact per year (0.4 contacts/year). Understanding the impacts this type of clearance would have on customers, SDG&E explained in its 2019 WMP that it would increase its tree trim scope to achieve a 25-foot post-trim clearance within the high fire threat district (HFTD) where feasible (enhanced vegetation management).

SDG&E limited the scope of its enhanced vegetation management to instances where it would have the biggest impact on reducing risk. This meant targeting the five highest risk species and only within the HFTD. These limitations reduced the scope of the enhanced clearance from the over 400,000 trees within the entire inventory, to only 80,000 trees or 20%. SDG&E’s work management database called *Powerworkz* tracks post-trim clearance by tree so that SDG&E will be able demonstrate going forward whether a vegetation contact came from a tree with 10-12 foot post-trim clearance, or one that met the new 25-foot post-trim clearance requirement.

Condition SDGE-13 requires that SDG&E conduct a study that shows ignition and outage probability as a function of post-trim clearance distance. While such a study would be desirable, SDG&E submits that WSD should recognize that such a study would be effectively impossible to conduct since such ignitions and outages cannot be simulated, and it would not be cost-effective or prudent to trim the entire SDG&E service territory in different 5-foot post-trim clearance increments to study impacts. SDG&E can provide the data that it has, which consists of four data points, as shown below.

Clearance	Contacts
6 inch post trim clearance	406 contacts per year
10 foot post trim clearance	83 contacts per year
10 foot with 12 foot on high growth rate species and additional inspection cycles	39 contacts per year
25 foot post trim clearance on high risk species in HFTD	TBD

E. Condition SDGE-14: Granularity of “At-Risk Species”

WSD questions the granularity of detail SDG&E provided regarding the tree species it considers at risk.¹⁸ But SDG&E did provide a detailed genus and species list of its five “at-risk” species as part of its data request responses for the 2020 WMP filing. The measures and characteristics for determining this list include historic outage frequency, growth potential, species failure rates, inventory tree population, response to

¹⁷ SDG&E 2020 WMP, Appendix A, Table 11.

¹⁸ Appendix A to Draft Resolution WSD-005 at A10.

environmental conditions such as wind and saturated soil. The threshold values that can trigger the determination for the “at-risk” species include the following:

- Tree canopy has reached a height adjacent to or above the conductors where a detached branch could impact the conductors
- Annual tree growth rate exceeds the recommended time-of-trim clearances to maintain the minimum clearance required at all times
- Tree canopy structure and architecture make it subject to substantial movement during high wind conditions
- Greater clearance is required to completely abate a structural hazard on a tree limb or trunk
- Past pruning practices that have left a tree susceptible to branch failure
- Tree location relative to the conductors is dangerous due to prevalence of strong Santa Ana winds

IV. CONCLUSION

SDG&E appreciates the opportunity to provide these comments on the draft resolutions and requests that WSD resolve the errors identified herein.

Respectfully submitted,

/s/ Christopher M. Lyons

Attorney for
San Diego Gas & Electric Company

cc: Service List for R.18-10-007
Mike Wilson, CAL FIRE