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VIA EMAIL

Wildfire Safety Division
California Public Utilities Commission
300 Capitol Mall
Sacramento, CA 95814

Re: Reply Comments on Quarterly Report for the Third Quarter 2020

Dear Wildfire Safety Division,

Pursuant to the Guidance provided by the Wildfire Safety Division (WSD),[1] San Diego Gas & Electric Company (SDG&E) submits this reply to the September 30, 2020 stakeholder comments filed on SDG&E's Quarterly Report on 2020 Wildfire Mitigation Plan (WMP) for the Third Quarter 2020 (QR) by the Public Advocates Office (CalPA), the Mussey Grade Road Alliance (MGRA), the Green Power Institute (GPI), and the Small Business Utility Advocates (SBUA). These stakeholders make various claims regarding the sufficiency of the information SDG&E provided in its QR to satisfy its Class B deficiencies. As discussed below, SDG&E's QR sufficiently resolved its Class B deficiencies and met the intent of the conditions. In certain instances, where appropriate, SDG&E has provided additional information to address stakeholder concerns.

I. Conditions SDGE-1 and SDGE-2: Higher Number of Ignitions Related to Balloon and Vehicle Contact

In Resolution WSD-005, the WSD provided a figure depicting each investor-owned utility's (IOU)[2] share of ignitions due to various ignition drivers, which shows that SDG&E reported a higher number of ignitions due to balloon and vehicle contacts relative to the other utilities. In its QR, SDG&E provided data and analysis showing that its balloon and vehicle contact and ignition rates per mile were in fact similar to the other IOUs. SDG&E also showed through customer density numbers and high fire threat district (HFTD) data that the biggest impact on balloon and vehicle contacts is population density. Notably, SDG&E's data shows

[1] Wildfire Safety Division, Guidance on the Remedial Compliance Plan & Quarterly Report Process Set Forth in Resolution WSD-002 (July 17, 2020) (hereinafter, Guidance), as modified by Wildfire Safety Division Response to Request to Extend Comment Period for Quarterly Reports and Adjust Rely Comment Parameters (September 8, 2020).

[2] The IOUs are SDG&E, Southern California Edison Company (SCE), and Pacific Gas and Electric Company (PG&E).

that both ignition rate (*i.e.*, the percentage an electrical fault results in an ignition) and the potential consequence of those ignitions are much higher in the HFTD. SDG&E agrees with GPI's recommendation that breaking down ignition drivers by HFTD tiers may provide additional guidance for wildfire mitigation initiative prioritization in areas most susceptible to wildfires and high wildfire consequence. Furthermore, since SDG&E's and most other IOUs' mitigation activities primarily target the HFTD, when outcome metrics are measured, there will not be any impacts outside the HFTD from mitigation activities.

II. Condition SDGE-13: Supporting Data for Increased Time-of-Trim Clearances

Consistent with Commission and WSD direction, SDG&E has provided empirical data to support its enhanced vegetation management program. Most recently in its 2020 WMP Remedial Compliance Plan and QR, SDG&E discussed its plan to measure the performance of enhanced post-trim clearances and the reliability performance of the electric system near those trees before and after trimming. SDG&E also provided historical data and analysis of trees in the vicinity of its system that were trimmed to a 20-30 feet clearance and measured the impacts of the post-trim clearance on vegetation contacts and ultimately ignitions.

With respect to this study on post trim clearance, SDG&E's goal was to isolate independent and dependent variables to determine whether increasing line clearances reduces vegetation contacts, a central question raised by CalPA. SDG&E submits that its study demonstrates clear empirical evidence based on system-wide historical data that increasing line clearance reduces vegetation contacts.

MGRA suggests SDG&E should include tree species in its study and provide a combined analysis showing the effect of both trim distance and tree species on outage rates. SDG&E agrees with MGRA's analysis on the assessment of species risk on a per tree basis. Given SDG&E's goal to reduce vegetation contacts within the HFTD, contact rate and volume are both important in this analysis, leading SDG&E to use number of contacts to define its target high risk species. The top five species account for over 80% of all vegetation contacts and if SDG&E wants to achieve its goal of reducing vegetation contacts per year, these are the species that must be targeted to achieve that goal.

Ultimately, SDG&E remains open to further discussions and studies in response to CalPA and MGRA comments and believes additional beneficial information could be gained by understanding how other variables impact vegetation contacts. SDG&E, however, submits that through the empirical historical data it utilized to perform its study, it has demonstrated that, regardless of any other variable, increasing clearance distance between lines and trees reduces vegetation contacts. Therefore, SDG&E has adequately satisfied the conditions associated with this deficiency.

III. Condition Guidance-1: Lack of Risk Spend Efficiency Information

MGRA recommends that the WSD require the utilities to develop risk spend efficiencies (RSEs) for foundational, supporting, traditional or regulatory mandates, and offers some methodologies to do this. SDG&E agrees with MGRA that regulatory mandates, such as

inspection and maintenance programs, that directly mitigate the risk of wildfire can be calculated. SDG&E has done so as part of this update, and did not originally provide them in an attempt to follow best practices laid out in the CPUC's S-MAP decision.

SDG&E disagrees with the assertion that it should find a way to calculate the risk reduction benefit of foundational programs such as weather stations and risk models. SDG&E could not calculate the risk reduction of any of its other initiatives without these programs, and could not effectively prioritize the significant fire hardening initiatives without them, but installing a weather station or building a risk model does not in itself reduce wildfire risk. Based on this, SDG&E would be open to grouping all foundational initiatives with all mitigation initiatives since both are needed together to effectively reduce risk, spreading the cost of foundational activities across all mitigation activities. But the exercise would have a minimal impact on the RSEs and minimal value as the cost of the foundational activities are significantly less than cost of the actual mitigations.

IV. Condition Guidance-2: Lack of Alternatives Analysis for Chosen Initiatives

In its QR, SDG&E explained that it has been developing the Wildfire Next Generation System (WiNGS), a new model to utilize risk modeling and RSEs to conduct alternatives analysis and guide the selection of optimal solutions. GPI characterizes SDG&E's development of "a new model" as an indication of ongoing shortcomings in SDG&E's ability to quantitively weigh alternatives. SDG&E disagrees with this assertion.

In SDG&E's 2019 WMP, SDG&E considered three alternatives for major hardening programs – traditional hardening, covered conductor, and undergrounding. Covered conductor was new to SDG&E and to most of California at the time. Instead of utilizing the technology broadly throughout its service territory, SDG&E took a more conservative approach to find a covered conductor that met its design standard requirements (multiple steel strands) and to pilot the technology first (use a small installation and see how it performs). For SDG&E, covered conductor was an alternative to pilot, and not a true solution at this point. That left traditional hardening and undergrounding as the remaining alternatives.

In 2019 and prior years, SDG&E quantitatively evaluated the risk reduction versus the cost for those alternatives and generally selected overhead hardening due to its risk spend efficiency. While undergrounding is twice as effective at reducing risk, it is also more than twice the cost, making overhead hardening the preferred solution. SDG&E's hardening efforts from 2019 and years prior shows that overhead hardening was the main mitigation used in most situations. For several years, SDG&E has utilized its Wildfire Risk Reduction Model (WRRM) which quantitively estimates the risk (both probability and consequence) at the asset level. This is how circuits were prioritized for overhead hardening.

After the lessons learned from the 2019 Public Safety Power Shutoff (PSPS) events, SDG&E reconsidered its hardening approach by examining mitigations like covered conductor and undergrounding, which had the added benefit of mitigating PSPS events. PSPS mitigation has been a policy priority of the Commission, and the state government more broadly.

SDG&E's new model (WiNGS) is not an indication of its inability to quantitively assess risk, but rather an enhancement that takes customer impacts of PSPS into consideration, which is consistent with regulator and intervenor feedback to consider such impacts. SDG&E's new model is an attempt to quantify the impacts of PSPS to customers in addition to the wildfire risk (which SDG&E already has and has had for years with the WRRM model) and apply new effectiveness criteria to mitigations like traditional hardening, covered conductor, and undergrounding to as far as how those mitigations impact PSPS thresholds, and how they reduce PSPS. With this new model, due to the PSPS impacts, SDG&E is seeing more use cases for covered conductor and undergrounding.

V. Condition Guidance-4: Lack of Discussion on PSPS Impacts

In addition to wildfire risk, SDG&E's WiNGS model attempts to quantify impacts to customers associated with PSPS and take those impacts into account when considering mitigations. The current variables used with respect to PSPS impacts include customer counts, medical baseline customer counts, and critical customer counts. SDG&E would support workshops through the current S-MAP proceeding to build a stakeholder consensus on how to estimate or measure customer impacts in this model.

VI. Condition Guidance-7: Lack of Detail on Effectiveness of "Enhanced" Inspection Programs

SDG&E explained that the effectiveness of inspections cannot be directly measured through a reactive lens because inspections are proactive programs. GPI disagrees with SDG&E on this point. GPI further states SDG&E and other IOUs should develop quantitative assessments for evaluating the effectiveness of inspection programs that consider inspection findings. SDG&E disagrees with GPI's position. Unlike hardening programs, that have a date when the hardening program is complete, and reliability performance which can be clearly measured from before hardening and after hardening, SDG&E inspection programs are cyclical and have been around for years. The only way to measure inspection programs would be to stop doing the program and see what consequences result, which is a risk no utility could or would take. That said, in response to Condition Guidance-7, SDG&E set forth a quantitative model to estimate (not measure) the effectiveness of inspection programs as GPI suggests, taking into account all findings from inspection programs, the priority of those findings, how many of the findings would result in faults on the system, and how many of those faults would lead to ignitions.

VII. Condition Guidance-9: Insufficient Discussion of Pilot Programs

In Condition Guidance-9, SDG&E explained how it would measure the risk reduction obtained from its pilot programs. MGRA asserts that SDG&E's narrative lacks quantitative evaluation or pass/fail criteria that would be used to determine whether a pilot program would proceed to the next phase of deployment. To the contrary, SDG&E's QR states that once the pilot program has been completed, SDG&E will measure or calculate the risk reduction obtained from the pilot program compared to the cost of the program to develop a risk spend efficiency of

pilot program. If that RSE is adequate, SDG&E would proceed with the pilot, if the RSE does not return enough value, SDG&E would modify or abandon the program.

VIII. Condition Guidance-11: Lack of Detail on Plans to Address Personnel

Regarding its personnel, SDG&E does not currently track metrics around newly trained personnel, out of state personnel, or the percentage working for other utilities prior to working with SDG&E. But SDG&E does measure the effectiveness of its recruiting program against offer acceptance rate. Based on results, SDG&E modifies recruiting strategies accordingly to target organizations as needed. SDG&E's current offer acceptance rate is 96%; according to Gartner, a leading research and advisory company, the average offer acceptance rate is 93%.

SDG&E appreciates the opportunity to provide these reply comments on the QRs and looks forward to working with the Commission and interested stakeholders on these issues.

Respectfully submitted,

/s/ Christopher M. Lyons

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San Diego Gas & Electric Company