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**VIA EMAIL**

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

Re: Wildfire Safety Advisory Board Recommendations on 2021 Wildfire Mitigation Plan Guidelines, Performance Metrics, and Safety Culture

Dear Wildfire Safety Advisory Board,

Pursuant to the guidance provided by the Wildfire Safety Advisory Board (WSAB or Board), San Diego Gas & Electric Company (SDG&E) submits these comments on the Board's June 2, 2020 Recommendations on 2021 Wildfire Mitigation Plan (WMP or Plan) Guidelines, Performance Metrics, and Safety Culture. SDG&E generally supports the Board's recommendations. In these comments, SDG&E offers clarifications and suggested modifications to certain recommendations for the Board's consideration.

SDG&E generally supports the Board's recommendations and offers clarifications and suggested modifications to certain recommendations for the Board's consideration in its detailed comments below.

**I. Structural Recommendations to the 2021 WMP Guidelines**

**A. Topical Organization by Wildfire Mitigation Program with a Focus on Lessons Learned**

*Board Recommendation: The Board recommends the 2021 WMP Guidelines be organized around each of the 10 categories being used for the WMPs and the Maturity Model to give the reader a complete picture of each. The organization of the Guidelines should highlight Public Safety Power Shutoffs, workforce training, and stakeholder cooperation and community engagement. In addition, the Board recommends each of the Wildfire Mitigation Program sections of the 2021 WMP Guidelines start with lessons learned.*

SDG&E strongly agrees with the Board that the current WMP structure is disjointed and submits that the overly prescriptive template makes it difficult to provide readers a

complete picture of the utility's wildfire mitigation programs and activities. SDG&E agrees that the WMP structure should be organized around the 10 established categories used for the WMP and the Maturity Model. SDG&E further recommends removing the prescriptive subcategories or program names defined for each category.

One of the challenges of the current WMP structure stems from trying to fit the utilities' programs into the very specific programs names outlined by the WMP Guidelines. For example, SDG&E's Corrective Maintenance Program fits multiple areas outlined by the guidelines. The WMP template should focus on just the 10 categories, and allow the utilities to organize their programs in a manner that is consistent with the way activities are performed, tracked, forecasted, and ultimately submitted in other proceedings such as the Risk Assessment Mitigation Phase (RAMP) and General Rate Case (GRC).

### **B. Submission Schedules that Set All Parties Up for Success**

*Board Recommendation: The Board recommends the WSD set a WMP submission schedule that promotes the success of all parties. The CPUC could set the deadline for 2021 WMP submissions at least four months after the approval of the final 2021 WMP Guidelines, for example.*

SDG&E strongly supports the Board's recommendation to set all parties up for success by providing the utilities at least four months to prepare their 2021 WMP Update. As the Board notes, the utilities were provided less than two months to prepare their 2020 WMPs under brand new guidelines and templates. While SDG&E was able to provide a fairly robust plan in the time frame allotted, it was extremely challenging especially with various resource constraints around the end of the year. Providing the utilities more time to prepare future WMP submittals will lead to more complete, higher quality plans.

## **II. Recommendations for 2021 Guidelines that Generally Align with Draft Guidance Resolution WSD-002**

### **A. Risk Spend Efficiency Analysis Required for Each Mitigation Measure**

*Board Recommendation: The Board recommends that the 2021 WMP Guidelines require utilities to complete a Risk Spend Efficiency (RSE) analysis for each mitigation measure so that each measure can be considered individually, in aggregate, and against each other, to determine the most appropriate wildfire mitigation effort for each circuit section.*

SDG&E generally agrees with this recommendation, however, it is important to note that not every mitigation in the WMP can lead to a risk spend efficiency calculation, which the WSD recently acknowledged in Resolution WSD-002. For example, situational awareness tools help SDG&E more accurately understand and quantify risk, and are necessary to calculate the risk reduction of its mitigations, but they do not themselves reduce risk. SDG&E agrees that RSEs should be submitted where both program risk reduction and cost are quantifiable. SDG&E provided RSEs on all new hardening activities as part of its 2020 WMP submittal, in alignment with its 2019 RAMP filing. SDG&E looks forward to working with WSD to determine which initiative categories should be analyzed in a different manner from RSE.

*Board Recommendation: The Board recommends that the 2021 WMP Guidelines require the utilities to stop characterizing PSPS events as a solution to lower ignition risk of wildfire in the RSE analysis without considering its consequences. Instead, the 2021 WMP Guidelines should require utilities to factor into their RSE calculations the assumed risk and cost to customers that result from a PSPS event.*

Since it submitted its 2020 WMP, SDG&E has continued to refine its RSE assessment methodologies to provide more granularity and greater transparency into its mitigation proposals. Public Safety Power Shutoff events are a mitigation to lower risk of catastrophic wildfires and SDG&E has started developing methodologies to quantify the risks of PSPS events, which would factor in the societal and economic impacts of such events. While SDG&E continues this work, it is important to note that the quantification of PSPS impacts needs to align with currently established risk frameworks and will require a coordinated effort with various stakeholders ahead of the next WMP update.

### **B. Risk Assessment and Mapping to Determine Location of Wildfire Mitigation Measures and Update CPUC Fire-Threat Maps More Frequently**

*Board Recommendation: The Board recommends that instead of relying solely on the HFTD maps to determine where to focus mitigation measures, the 2021 WMP Guidelines should require that utilities rely on both infrastructure risk assessment and mapping, and the relationship to the HFTD.*

Since the adoption of HFTD maps by the CPUC in early 2018, SDG&E has modified relevant operational practices to be consistent with the new maps. State law requires each utility to re-evaluate its service territory and identify areas that may pose elevated risk that are not currently identified in the CPUC's existing fire threat map, and where the CPUC should consider expanding the HFTD based on new information or changes in the environment. SDG&E has identified certain wildland urban interface (WUI) and coastal areas that possess higher amounts of native and non-native vegetation, which under certain circumstances, could contribute to a wildfire if an ignition took place under extreme weather conditions. SDG&E continues to assess these areas using historic fire behavior and predictive modeling to determine if these areas warrant inclusion in the HFTD.

### **C. Standardized Data to Allow Cross-Utility Comparisons**

*Board Recommendation: The Board recommends the CPUC consider WSD's recommendation for a data taxonomy and data schema that will ensure consistent formatting and streamline the reporting of data, using the same measurements.*

SDG&E generally agrees with this recommendation, as long as there is collaboration in the development of the data taxonomy and schema. SDG&E submits that the non-collaborative nature (although understandable given the time constraints) of the 2020 WMP data requirements led to some metrics and measures that did little to measure the

effectiveness of wildfire mitigation programs, and a lack of clarity around metrics and data structure led to different submittals of the same data, making it difficult to compare data between utilities.

### **III. Recommendations That Go Further Than Resolution WSD-002**

#### **A. Scientific Review of Modeling Methods and Assumptions**

*Board Recommendation: The Board recommends that the 2021 WMP Guidelines require the utilities to disclose detailed modeling methods and assumptions. An independent scientific advisory panel should be created to vet modeling methods. This scientific advisory panel would go through a nomination and confirmation process approved by the Board, the WSD, or the CPUC.*

SDG&E appreciates and sees the benefits to the entire fire science community resulting from sharing detailed modeling methods and assumptions. Through close collaboration with academia, the United States Forest Service and the fire science community, SDG&E has greatly valued the input and advice from the scientific community when developing modeling methodologies.

That said, SDG&E submits that the Board's proposed scientific advisory panel is duplicative with existing procedures and processes. The CPUC's Safety Model Assessment Proceeding (S-MAP) proceeding is the venue where utilities, intervenors, and regulators to come together to collaborate and develop risk models and methodologies to apply to all utility risks including wildfire. It is here where the models and underlying assumptions can be vetted and agreed upon. Once this is complete, the methodologies should stay consistent across proceedings, including the development of RSEs for RAMP and the WMP.

#### **B. Reporting Expert Qualifications and Scientific Justification for Decision-Making**

*Board Recommendation: The Board recommends that the 2021 WMP Guidelines require the utilities to disclose the qualifications of scientific personnel relied upon to prepare the WMPs in order to increase transparency and demonstrate that each utility is relying upon accurate expert advice. Perhaps the minimum hiring qualifications for these roles ought to be developed.*

SDG&E supports transparency regarding the development of its fire science initiatives, however, does not agree that minimum hiring qualifications for these roles should be developed. SDG&E strongly believes that they should maintain full responsibility of hiring and developing their scientific personnel, including the establishment of minimum hiring qualifications.

### **C. Aligning Vegetation Management Practices with Best Available Science**

*Board Recommendation: The Board recommends that all utilities coordinate and complete an ongoing study, similar to what is ordered in WSD-005, that would ensure vegetation management practices align with best available science. The research should be reviewed by an independent scientific advisory panel or developed as part of a working group process overseen by WSD.*

SDG&E has embarked on a collaboration with academia to pursue a scientific approach to vegetation management practices. However, SDG&E believes the proof of the effectiveness of its program is evident in the continuous downtrend of its vegetation contacts and vegetation caused ignitions. SDG&E also has qualified foresters that help in bringing in the informed and scientific approach. These foresters have years of experience in vegetation management but also have established relationships and consults with experts in CAL FIRE and other agencies that manage public lands. SDG&E's vegetation management program is where it is today because of the collaboration and expertise of these internal and external experts.

### **D. Wildfire Mitigation Program Cost Reasonableness Review and Costs Recovery Concepts**

*Board Recommendation: The Board recommends that WSD assist in the reasonableness review of utility wildfire mitigation expenditures because that evaluation occurs in CPUC-managed General Rate Case proceedings. WSD and CPUC GRC subject matter experts must be available to collaborate in expenditure reasonableness review.*

SDG&E is not opposed to the WSD assisting in the reasonableness review of WMP-related expenditures that will occur in future GRCs so long as the WSD's participation does not cause undue delays.

*Board Recommendation: The Board recommends that WSD publish reports based on their utility wildfire mitigation status to assist with future expenditure review.*

SDG&E is not opposed to the WSD publishing reports. However, these reports should be relevant to the utility's respective expenditure requests, rather than presenting the WSD's opinion of the utility's overall status regarding wildfire mitigation maturity. In addition, the assigned Administrative Law Judge(s) in the GRC should have the authority to decide whether or not to rely on, use, and determine the appropriate evidentiary weight for such reports in the context of GRCs.

## **IV. Recommendations on Performance Metrics**

### **A. Develop and Electric Utility Prudent Operator Standard**

*Board Recommendation: In addition or as an alternative to the Performance Metrics, the Board recommends that the 2021 WMP Guidelines require the development and use of a "Prudent Operator" standard or threshold, that sets an acceptable level of electric operation risk and establishes the risk reduction that a prudent operator should assume so that utilities can design*

*their systems accordingly. The development and use of the Prudent Operator standard should be a condition of the utilities receiving safety certificates.*

SDG&E opposes this recommendation for several reasons. First, it is not clear what WSAB envisions with this recommendation, or how it would be implemented. Second, this concept would conflict with or, at the very least, create confusion with respect to the existing CPUC prudent manager standard. That standard has been developed in CPUC decisions over many years<sup>1</sup> and, with respect to catastrophic wildfire cost recovery proceedings, is codified in Public Utilities Code Section 451.1(b). Unlike the description of the “prudent operator” standard in this recommendation, the prudent manager standard appropriately considers all relevant facts and circumstances and does not seek to impose a bright line standard. Third, neither WSD nor the CPUC possess legal authority to create a new “condition” applicable to electrical corporation Safety Certifications. Such authority resides solely within the California Legislature, which created the Safety Certification process and existing conditions in 2020 when it passed Assembly Bill 1054 (adding Section 8389 to the Public Utilities Code). Nowhere in Section 8389 does the Legislature empower WSD to add to the existing conditions.

In addition to the reasons this recommendation should not be adopted, SDG&E also notes that anything related to risk modeling standards should be reviewed and resolved in the S-MAP proceeding to maintain consistency and avoid duplicative efforts. Further, the development of risk tolerance is not something that can be done by the 2021 WMP update and that it is redundant with efforts by the Safety and Enforcement Division in the S-MAP where future proceedings are intended to focus on the topic of risk tolerance. As noted in S-MAP Decision 18-12-014, establishing risk tolerance levels is not an easy task and it requires the establishment of risk tolerance limits and disproportionality ratios (for cost/benefit analysis) by regulatory actions.<sup>2</sup>

## **V. Recommendations on Utility Safety Culture**

### **A. Ensure Consistent Compliance with High-Level Safety Standard**

*Board Recommendation: The Board recommends that WSD maintain its high bar when performing its safety culture assessments and set the bar so that that utilities maintain high standards as utilities hire, grow, and adapt their safety culture.*

SDG&E does not take issue with this recommendation. As described in SDG&E’s November 2019 RAMP filing (I.19-11-010, Chapter RAMP-F) SDG&E is currently in the process of implementing an enterprise-wide Safety Management System (SMS) that will provide a framework to identify and address risk and safety throughout the design, construction, operation, and maintenance of SDG&E’s electric and natural gas systems. A SMS establishes a systematic enterprise-wide framework to manage and reduce risks and hazards and enable continuous improvement in safety performance through

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<sup>1</sup> See, e.g., D.17-11-033, p. 10; D.14-07-007, p. 31; 24 CPUC 2d 476, 486.

<sup>2</sup> D.18-12-014, p. 55.

deliberate, integrated processes. SMS therefore maintains “high standards” as it promotes effective communication and employee feedback, useful documentation and knowledge tools, enhanced coordination, and appropriate safe behaviors, and continuous improvement. SDG&E’s implementation of SMS furthers the existing strong safety culture with this comprehensive framework and company-wide implementation.

## **B. Post-Accident Debriefing and Learning**

*Board Recommendation: The Board recommends that the WSD assess the effectiveness of the utilities’ processes and post-accident evaluation, including whether the learnings from the evaluations are incorporated into future planning.*

SDG&E does not take issue with this recommendation. As stated above, SDG&E is currently in the process of implementing an enterprise-wide SMS. Post-accident debriefing and learning is an inherent element of a SMS. As part of our SMS, SDG&E will have documented processes to (1) identify causes and contributing factors of incidents (*i.e.*, root cause analysis), and (2) document findings and incorporate, communicate and evaluate lessons learned. SMS is a holistic approach to process safety that expands beyond traditional occupational safety by placing critical emphasis on strong interdependencies with risk, asset, incident response, and operational management.

## **VI. Recommendation Likely Needing Legislative or Gubernatorial Action to Implement**

### **A. The Wildfire Safety Division Should Remain at the CPUC**

*Board Recommendation: The Board recommends that the WSD continue performing the important wildfire safety work at the CPUC instead of spending time, energy, and money moving to a different agency in July 2021.*

SDG&E opposes this recommendation. In Assembly Bill (AB) 111, the Legislature directed the creation of the Wildfire Safety Division within the CPUC and required that this division be transitioned to the Office of Energy Infrastructure Safety within the Natural Resources Agency by July 1, 2021. Among other legislative findings that drove this action, the Legislature indicated that it was creating this office “[t]o provide for the coordination of functions among state entities with jurisdiction over other functions of the state’s energy and communication service providers.”<sup>3</sup> SDG&E agrees that such coordination is critical to the overall state objective of enhancing wildfire mitigation and prevention. Transitioning WSD to the Office of Energy Infrastructure Safety, which would be located in Sacramento, in proximity to other state entities with important roles in energy safety matters (*e.g.*, CAL FIRE and California Office of Emergency Services) would thus improve its ability to foster such coordination.

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<sup>3</sup> See Government Code Section 15470(a)(2).

**B. The Board Should Recommend a Change to Public Utilities Code Section 3280(f) To Better Align With The Renewal Date Of Utilities' Insurance Policies**

SDG&E requests that the Board develop a recommendation that Section 3280(f) of the Public Utilities Code be amended by replacing the word “calendar” with “policy” so that the payment of eligible claims by the Wildfire Fund is aggregated over an insurance policy year rather than a calendar year. This change would ensure that Section 3280(f) aligns with the utilities’ wildfire liability insurance programs, which are not on a “calendar year” basis. SDG&E understands that Southern California Edison Company has raised this issue in its comments, and it supports those comments on this issue.

SDG&E appreciates the opportunity to provide these comments on the Board’s recommendations and looks forward to working with the Commission and interested stakeholders on these issues.

Respectfully submitted,

/s/ Christopher M. Lyons

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