

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

2021 Wildfire Mitigation Plans

#2021-WMPs

Order Instituting Rulemaking to Implement  
Electric Utility Wildfire Mitigation Plans  
Pursuant to Senate Bill 901 (2018).

Rulemaking 18-10-007  
(Filed October 25, 2018)

**THE PROTECT OUR COMMUNITIES FOUNDATION'S COMMENTS ON DRAFT  
RESOLUTION WSD-019**

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RESOLUTION WSD-019**

Pursuant to Rule 14.5 of the California Public Utilities Commission (Commission) Rules of Practice and Procedure (Rules), The Protect Our Communities Foundation (PCF) submits the following comments on Draft Resolution WSD-019 (Draft Resolution) regarding SDG&E’s 2021 Wildfire Mitigation Plan Update (2021 WMP).<sup>1</sup>

PCF appreciates that Wildfire Safety Division (WSD) identifies that SDG&E’s WMP lacks transparency and requires further analysis, especially with regard to risk assessment, covered conductors, undergrounding, and vegetation management. PCF also agrees with WSD’s continued recognition that this resolution “does not approve costs attributable to WMPs, as statute requires electrical corporations to seek and prove the legitimacy of all expenditures at a future time in their General Rate Cases (GRC) or application for cost recovery” and that this resolution should not “be construed as approval of any WMP-related costs.”<sup>2</sup>

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<sup>1</sup> PCF is submitting these comments to: 1) the Commission at [wildfiresafety@cpuc.ca.gov](mailto:wildfiresafety@cpuc.ca.gov), 2) the service list in R.18-10-007, and 3) and Energy Safety via e-filing as directed in the comment letter to the Draft Resolution.

<sup>2</sup> Draft Resolution WSD-019: Resolution Ratifying Action of the Wildfire Safety Division on San Diego Gas & Electric’s 2021 Wildfire Mitigation Plan Update Pursuant to Public Utilities Code Section 8386 (June 10, 2021), (“Draft Resolution”), p. 2.

The Draft Resolution finds that SDG&E's 2021 WMP contains analytical and substantive defects in the following key areas:

1. Inadequate transparency in accounting for ignition sources in risk modelling and mitigation selection;
2. Lack of consistency in approach to wildfire risk modeling across utilities;
3. Limited evidence to support the effectiveness of covered conductor;
4. Inadequate joint plan to study the effectiveness of enhanced clearances;
5. Incomplete identification of vegetation species and record keeping;
6. Lack of quantitative analysis to identify "at-risk" species;
7. Need for quantified vegetation management (VM) compliance targets;
8. Non-communicative remote-controlled switches;
9. Inadequate transparency associated with SDG&E's decision-making process;
10. Insufficient detail regarding prioritization of HFTD in undergrounding and covered conductor mitigation efforts;
11. RSE values vary across utilities.<sup>3</sup>

PCF concurs with this list of deficiencies identified by the WSD in SDG&E's 2021 WMP. PCF recommends that the WSD reject SDG&E's 2021 WMP Update and instead direct SDG&E to remedy the identified defects prior to approving its 2021 WMP Update.

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<sup>3</sup> Draft Resolution WSD-019, Appendix A: Wildfire Safety Division Draft Action Statement on San Diego Gas & Electric Company's 2021 Wildfire Mitigation Plan Update (June 2021), p. 6-15.

**I. THE PRINCIPLES OF TRANSPARENCY, QUANTIFICATION, EFFECTIVENESS, AND PRIORITIZATION THAT PERMEATE THE DRAFT RESOLUTION ARE CONSISTENT WITH NUMEROUS COMMISSION DECISIONS.**

Draft Resolution WSD-019 appropriately faults SDG&E for failing to meet transparency requirements; failing to provide sufficient details regarding prioritization of risk reduction activities; and failing to demonstrate mitigation effectiveness in its 2021 WMP.<sup>4</sup> These principles of transparency, quantification, effectiveness, and prioritization have been repeatedly required by the Commission to guide the development of WMPs.

The Commission initiated R.13-11-006 to implement Senate Bill 705 and Section 963(b)(3) which “declares that it is the policy of the state that the Commission and each gas corporation place safety of the public and gas corporation employees as the top priority, and that the Commission shall take all reasonable and appropriate actions necessary to carry out the safety priority policy of this paragraph consistent with the principle of just and reasonable cost-based rates.”<sup>5</sup> In D.14-12-025, the Commission adopted “a risk-based decision-making framework, consisting of the Safety Model Assessment Proceeding [S-MAP], the Risk Assessment and Mitigation Phase [RAMP] proceeding, and the filing of annual verification reports consisting of the Risk Mitigation Accountability Report and the Risk Spending Accountability Report.”<sup>6</sup> D.14-12-025 contained explicit transparency mandates,<sup>7</sup> and required

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<sup>4</sup> Draft Resolution WSD-019, Appendix A: Wildfire Safety Division Draft Action Statement on San Diego Gas & Electric Company’s 2021 Wildfire Mitigation Plan Update (June 2021), p. 6-15.

<sup>5</sup> R.13-11-006, Order Instituting Rulemaking to Develop a Risk-Based Decision-Making Framework to Evaluate Safety and Reliability Improvements and Revise the General Rate Case Plan for Energy Utilities (November 14, 2013); Sen. Bill No. 705 (Reg. Sess. 2011); D.14-12-025, *Decision Incorporating a Risk-Based Decision-Making Framework into the Rate Case Plan and Modifying Appendix A of Decision 07-07-004* (December 4, 2014), p. 49 (Findings of Fact 3) (citing to Pub. Util. Code, § 963, subd. (b)(3)).

<sup>6</sup> D.14-12-025, p. 54-55 (OP 1).

<sup>7</sup> D.14-12-025, p. 3 (“It is our intent that the adoption of these additional procedures will result in additional transparency and participation on how the safety risks for energy utilities are prioritized by the Commission and the energy utilities, and provide accountability for how those safety risks are managed,

the utilities to file comprehensive RAMP submissions<sup>8</sup> which focused contained the following information:

- The utility’s prioritization of the risks it believes it is facing and a description of the methodology used to determine these risks...
- A description of the controls currently in place, as well as the “baseline” costs associated with the current controls.
- The utility’s prioritization of risk mitigation alternatives, in light of estimated mitigation costs in relation to risk mitigation benefits (Risk Mitigated to Cost Ratio).
- The utility’s risk mitigation plan, including an explanation of how the plan takes into account: Utility financial constraints; Execution Feasibility; Affordability Impacts; Any other constraints identified by the utility.
- For comparison purposes, at least two other alternative mitigation plans the utility considered and an explanation of why the utility views these plans as inferior to the proposed plan.<sup>9</sup>

D.14-12-025 also required the utilities to file S-MAP applications “to allow the Commission and parties to examine, understand, and comment on the models that the energy utilities plan to use to prioritize and mitigate risks, and for the Commission to establish guidelines and standards for these models.”<sup>10</sup>

Later, in the consolidated S-MAP proceeding, the Commission in D.16-08-018 made clear that “[c]alculating risk reduction per dollar is required by D.14-12-025 and is necessary

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mitigated, and minimized.”); *id.* at 10 (discussing straw proposal “procedural principles of transparency, participatory inclusivity, and accountability”); *id.* at 35 (describing RAMP objective to “provide a transparent process to ensure that the energy utilities are placing the safety of the public, and of their employees, as a top priority in their respective GRC proceedings”); *id.* at 39 (describing that RAMP process will ensure that “safety considerations are being considered in the utility’s GRC filings in an open and transparent manner.”); *see also* D.16-08-018, p. 188 (COL 2), p. 132 (Citing to D.14-12-025 for the purpose of the RAMP and explaining that “A transparent process allows all parties, including Commission staff, to have the opportunity to question the analysis, data and assumptions underlying the utility’s filing and to present a response to the utility’s filing.”).

<sup>8</sup> D.14-12-025 at 39-40 (“Limiting the utility’s RAMP submission to just 10 asset categories may prevent the Commission and interested parties from having a comprehensive view of the utilities potential safety risks, and its plans for addressing those risks. Since the RAMP will provide the first opportunity for parties to see how the utility prioritizes safety in terms of its assets and operations, the RAMP should not be limited to a maximum of 10 asset categories. Accordingly, the utility’s RAMP submission shall include all of its risk assessments and mitigation plans.”).

<sup>9</sup> D.14-12-025, p. 32.

<sup>10</sup> D.14-12-025, p. 51 (Finding 18), p. 55 (OP 5).

information for balancing safety with reasonable rates and holding utilities accountable for safety spending,”<sup>11</sup> and there the Commission found that “[p]rioritizing based on cost-effectiveness measures is an important improvement to rate cases and an important step to optimizing portfolios.”<sup>12</sup> The Commission concluded that the “utilities’ RAMP filings should include calculations of risk reduction and a ranking of mitigations based on risk reduction per dollar spent,”<sup>13</sup> and ordered that RAMP filings “shall explicitly include calculation of risk reduction and a ranking of mitigations based on risk reduction per dollar spent.”<sup>14</sup>

The Commission additionally concluded in D.16-08-018 that “[p]rioritizing the reduction of safety risks should be geared towards safety risk, and should not include financial interests,” and directed the utilities “to remove shareholders’ financial interests from consideration in their risk models and decision frameworks used to support case expenditure proposals, especially at the operational level, unless the utility can make a good case for an exception in its Risk Assessment Mitigation Phase filing.”<sup>15</sup>

After SDG&E and SoCalGas filed their TY 2019 GRC applications in 2017, the Commission adopted a settlement agreement between the large utilities including SDG&E and SoCalGas, the Public Advocates Office, and several intervenors, which expanded on the requirements of D.14-12-025 and D.16-08-018.<sup>16</sup> As the Commission has explained, the Settlement Agreement approved in D.18-12-014 “provided a more robust and stronger version of the ten recommended RAMP components than was first introduced in D.16-08-018,” including

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<sup>11</sup> D.16-08-018, *Interim Decision Adopting Multi-Attribute Approach (Or Utility Equivalent Features) and Directing Utilities to Take Steps Toward a More Uniform Risk Management Framework* (August 18, 2016), p. 187 (Finding of Fact 81).

<sup>12</sup> D.16-08-018, p. 187 (Finding of Fact 82).

<sup>13</sup> D.16-08-018, p. 192 (Conclusion of Law 30).

<sup>14</sup> D.16-08-018, p. 196 (OP 8).

<sup>15</sup> D.16-08-018, p. 192-193 (Conclusion of Law 36, 37), p. 195-196 (OP 7).

<sup>16</sup> D.18-12-014, *Phase Two Decision Adopting Safety Model Assessment Proceedings (S-MAP) Settlement Agreement with Modifications* (December 13, 2018), Attachment A, p. A-3.

the requirement “that risk spend efficiency [RSE] calculations for risk mitigations are independent of RAMP risk selection.”<sup>17</sup>

Among other things, D.18-12-014 mandates that (1) the utilities “clearly and transparently explain its rationale for selecting mitigations for each risk and for its selection of its overall portfolio of mitigations;” (2) that “[i]nputs and computations...should be clearly stated and defined” and “the sources of inputs should be clearly specified,” (3) that the utilities “use utility specific data” in identifying potential consequences of and frequency of a risk event; (4) that the utilities measure risk reduction provided by a risk mitigation; and (5) that the utilities calculate risk spend efficiency (RSE) “by dividing the mitigation risk reduction benefit by the mitigation cost estimate.”<sup>18</sup>

Also in 2018, Senate Bill 901 amended the wildfire risk mitigation statutory scheme and required the electric utilities “to include all relevant wildfire risk and risk mitigation information” required by the S-MAP and RAMP decisions, and thus effectively incorporated D.14-12-025, D.16-08-018, and D.18-12-014 into the WMP analysis.<sup>19</sup> All of these requirements remain applicable to the Commission’s assessment of SDG&E’s 2021 WMP.

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<sup>17</sup> I.19-11-010/011, Order Instituting Investigation into the Risk Assessment and Mitigation Phase Submission of Southern California Gas Company (November 7, 2019) (SoCalGas OII), p. 3-4; I.19-11-010/011, Order Instituting Investigation into the Risk Assessment and Mitigation Phase Submission of San Diego Gas & Electric Company (November 7, 2019) (SDG&E OII), p. 3-4.

<sup>18</sup> D.18-12-014, Attachment A, p. A-8, A-12, A-13, A-14, A-17.

<sup>19</sup> See D.19-05-036, *Guidance Decision on 2019 Wildfire Mitigation Plans Submitted Pursuant to Senate Bill 901* (May 30, 2019), Appendix A, p. A2.

## II. SDG&E HAS A LONG HISTORY OF FAILING TO COMPLY WITH THE COMMISSION'S RISK ASSESSMENT REQUIREMENTS.

**The 2016 RAMP Report and TY 2019 GRC.** SDG&E and SoCalGas filed their first RAMP report in 2016. However, unlike the other large utilities, SDG&E and SoCalGas were not required to conform to D.16-08-018 when they filed their joint 2016 RAMP Report.<sup>20</sup> Thus, the 2016 RAMP Report was of little use to the Commission in evaluating the utilities' test year (TY) 2019 GRC. In D.19-09-051, the decision on the utilities' TY 2019 GRC applications, the Commission found that the utilities failed to provide "answers to the core questions of what spending is proposed to mitigate risks, and how has past spending reduced risk per dollar spent,"<sup>21</sup> and required the utilities to "provide better information on what spending is proposed to mitigate risks and how past spending has reduced risk per dollar spent" in future GRC filings.<sup>22</sup>

**SDG&E's 2019 WMP and 2020 WMP.** After reviewing the electrical utilities' first WMPs in 2019, the Commission described the utilities' risk assessments as a "black box" lacking justification for the proposed activities:

Most of the IOU WMPs justify inspection and hardening program proposals as being informed by an internal risk assessment. However, that risk assessment is often a black box with insufficient description of the supporting information and rationale for proposed programs. Future filings should provide documentation of the risk analysis used to justify the proposals. A "trust us, we know what we are doing" approach to risk assessment is not appropriate given recent wildfire activity.<sup>23</sup>

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<sup>20</sup> D.16-08-018, p. 153, 196 (OP 9) ("Because the Sempra utilities...have limited time to file a Risk Assessment Mitigation Phase (RAMP), SDG&E and SoCalGas shall file a RAMP based on its current risk evaluation and risk-based decision-making methodologies...").

<sup>21</sup> D.19-09-051, *Decision Addressing the Test Year 2019 General Rate Cases of San Diego Gas & Electric Company and Southern California Gas Company* (September 26, 2019), p. 23 ("Answers to those questions are not readily available to us here.").

<sup>22</sup> D.19-09-051, p. 762.

<sup>23</sup> D.19-05-036, p. 29, fn. 42.

The Commission ordered the electrical utilities to comply in the future with the Commission’s S-MAP and RAMP decisions as required by the wildfire risk mitigation statute.

Including such analysis in the WMPs would provide the Commission a transparent and effective way to balance overlapping programs in the WMP and assess which programs are needed and effective. As stated above, the statute requires ‘all relevant wildfire risk and risk mitigation information that is part of the Safety Model Assessment Proceeding and Risk Assessment Mitigation Phase filings.’ This quantitative information is relevant, and the process of conducting these analyses may allow stakeholders to better understand the cost effectiveness of proposed mitigations.<sup>24</sup>

However, SDG&E’s 2020 WMP<sup>25</sup> failed to include the information necessary meaningfully to assess SDG&E’s purported risk reduction activities as the Commission ordered. In Resolution WSD-005, the Commission made clear that SDG&E in its 2020 WMP failed to comply with the Commission’s direct order contained in D.19-05-039 regarding SDG&E’s 2019 WMP.<sup>26</sup>

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<sup>24</sup> D.19-05-036, p. 29.

<sup>25</sup> Resolution WSD-002, *Guidance Resolution on 2020 Wildfire Mitigation Plans Pursuant to Public Utilities Code Section 8386* (June 11, 2020), Appendix A, p. A1-A3, A5-A10 (Commission finding that the utilities continue to fail to provide sufficient details to clearly and transparently reveal the reasons for selecting mitigation activities and their effectiveness); Resolution WSD-005, *Resolution Ratifying Action of the Wildfire Safety Division on San Diego Gas & Electric Company’s 2020 Wildfire Mitigation Plan Pursuant to Public Utilities Code Section 8386* (June 11, 2020), p. 11-12, 23-25, 29-30, 33, 37-38, 43-44, 46, 49 (the Commission correctly concluding SDG&E’s 2020 WMP continues to fail to provide the requisite analysis of risk reduction per dollar spent, that “SDG&E’s WMP does not adequately identify or describe the details of its more costly planned investments or its decision-making process with respect to its various planned initiatives,” that “the WMP does not provide an adequate description of [prioritization methods and resource allocation processes] nor how specifically they led SDG&E to identify which measures to pursue, where to pursue them, and in what order to pursue them,” that “there is a clear gap and absence of detail on the relationship between various hardening, vegetation management, and asset management initiatives and corresponding impacts on thresholds for imitating PSPS events,” and faulting SDG&E for failing to provide spending data for its resource allocation methodology.)

<sup>26</sup> Resolution WSD-002, p. 19-30, Appendix A, p. A1 (“2020 WMP submissions contain sparse and sporadic detail regarding the RSE of WMP initiatives. RSE calculations are critical for determining whether utilities are effectively allocating resources to initiatives that provide the greatest risk reduction benefits per dollar spent, thus ensuring responsible use of ratepayer funds. Although RSE concepts have been considered for several years through Commission GRCs, utilities still display unrefined and limited

**The 2019 RAMP Report Was Determined Deficient.** SDG&E and SoCalGas filed their second RAMP report in 2019. The proceeding addressing SDG&E's and SoCalGas' Joint 2019 Risk Assessment and Mitigation Phase Report (2019 RAMP Report) was the first proceeding in which a RAMP report by SDG&E and SoCalGas could be evaluated for compliance with the requirements of D.14-12-025 as clarified by D.16-08-018, with D.16-08-018, and with the additional requirements of D.18-12-014.<sup>27</sup>

Unfortunately, the Joint SDG&E and SoCalGas 2019 RAMP Report failed to meet transparency requirements; failed to describe adequately the risks faced by each utility; failed to analyze appropriately how each mitigation measure might actually reduce risk; failed to prioritize risk reduction measures based on cost effectiveness; failed to include the necessary risk-spend calculations; failed to use available and informative utility specific data; failed to present adequate alternatives; and failed to remove shareholders' financial interests from risk assessment decision-making.<sup>28</sup>

The Commission first recognized that the 2019 RAMP Report failed properly to assess the cost-effectiveness of most of the utilities' proposed risk reduction activities in the context of

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abilities to produce such information. Considering that utilities propose to spend billions of dollars on WMP initiatives, not having quantifiable information on how those initiatives reduce utility ignition risk relative to their cost severely limits the WSD's ability to evaluate the efficacy of such initiatives and each utility's portfolio of initiatives, as outlined in 2020 WMPs."); Appendix A, p. A1-A3, A5-A10; Resolution WSD-005, p. 11-12; D.19-05-039, *Decision on San Diego Gas & Electric Company's 2019 Wildfire Mitigation Plan Pursuant to Senate Bill 901* (May 30, 2019), p. 23-24, p. 31 (OP 12) ("San Diego Gas & Electric's 2020 Wildfire Mitigation Plan shall use the quantitative risk assessment framework adopted in Decision 18-12-014 in the Safety Model Assessment Proceeding to evaluate and compare the cost effectiveness of each of the mitigations that were under consideration in developing the Wildfire Mitigation Plan. The Wildfire Mitigation Plan shall provide the risk spend efficiency results of the quantitative risk analysis and include an explanation of the Multi-Attribute Variable Framework used and how it was constructed.").

<sup>27</sup> D.16-08-018, p. 153, 196 (OP 9).

<sup>28</sup> I.19-11-010, 011, The Protect Our Communities Foundation Reply in Support of its Proposal Regarding How this Proceeding Should Move Forward in Light of the Directives in D.20-01-002; and Comments on the Joint 2019 Risk Assessment and Mitigation Phase Report of Southern California Gas Company and San Diego Gas & Electric Company (April 6, 2020), p. 15-40.

SDG&E's 2020 WMP,<sup>29</sup> when the Commission correctly concluded that SDG&E's (and others) 2020 WMP failed to provide the requisite analysis of risk reduction per dollar spent.<sup>30</sup> A few months later, in the decision closing the proceeding that addressed the 2019 RAMP Report, the Commission again acknowledged the deficient nature of the 2019 RAMP Report.<sup>31</sup>

**The PfM of D.19-09-051 (Five Year Rate Cycle) Did Not Address the Numerous Risk-Related Deficiencies.** Meanwhile, in D.20-01-002, the Commission extended SDG&E's and SoCalGas' TY 2019 GRC cycle to a five-year cycle and required the utilities to provide additional RAMP-related information, among other things, in the revised decision issued in response to a petition for modification (PfM) of D.19-09-051.<sup>32</sup> In doing so, the Commission emphasized the need for increased transparency by the utilities in order to “ensure the utilities are held accountable for how they spend ratepayer funds,” and with “the Commission’s intent that underlies the entire risk-mitigation framework adopted in D.14-12-025.”<sup>33</sup>

Although the only additional RAMP-related information provided in the PfM was the deficient 2019 RAMP Report, the utilities in their briefs later avoided reliance on the deficient

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<sup>29</sup> Resolution WSD-005, p. 44 (“...SDG&E’s WMP simply refers to its RAMP...”).

<sup>30</sup> D.19-05-039, p. 31 (OP 12); D.19-05-036, p. 28-29 (“Our recent decision in the S-MAP/GRC context adopted an approach that prioritizes actions based on their ‘Risk-Spend Efficiency.’ ...The process involves performing risk assessments and ranking risks using safety, reliability, and other attributes. This approach provides a means to compare the programs against each other for effectiveness...”); Resolution WSD-002, p. 20 (“Although RSE concepts have been considered for several years through Commission GRCs, utilities still display unrefined and limited abilities to produce such information. Considering that utilities propose to spend billions of dollars on WMP initiatives, not having quantifiable information on how those initiatives reduce utility ignition risk relative to their cost severely limits the WSD’s ability to evaluate the efficacy of such initiatives and each utility’s portfolio of initiatives...”).

<sup>31</sup> D.20-09-004, *Decision Closing Risk Assessment and Mitigation Phase Proceedings* (September 10, 2020), p. 17 (Finding of Fact 14); p. 18-19 (OP 1).

<sup>32</sup> D.20-01-002, p. 52-53 (requiring RAMP-related information sufficient to “support the Commission’s evaluation of their 2022 and 2023 attrition year proposals”).

<sup>33</sup> D.20-01-002, p. 36 (“If the Commission is to accommodate the utilities’ suggestions that a four-year cycle requires a more flexible regulatory approach, the utilities must reciprocate by more openly engaging in an ongoing dialog throughout the GRC cycle that enables the Commission to review their activity in a transparent manner and ensure the utilities are held accountable for how they spend ratepayer funds. Again, this will fulfill the Commission’s intent that underlies the entire risk-mitigation framework adopted in D.14-12-025.”)

2019 RAMP Report.<sup>34</sup> Ultimately, the Commission granted the PFM and approved rate increases without reference to the deficient 2019 RAMP Report.<sup>35</sup> To date the Commission’s repeated approach of ordering the utilities to do better has not resulted in compliance, to the detriment of San Diego and Southern California ratepayers whose rates are already the state’s highest. The Commission should finally hold SDG&E to account here and should not rubber-stamp SDG&E’s clearly deficient 2021 WMP.

**III. WSD CORRECTLY DETERMINED THAT SDG&E DOES NOT ADEQUATELY ACCOUNT FOR IGNITION SOURCES IN ITS RISK MODELING AND MITIGATION SELECTION.**

PCF appreciates WSD’s determination that there is inadequate transparency in how SDG&E accounts for ignition sources in its risk modeling and mitigation selection. Specifically, the Draft Resolution finds that “SDG&E identifies vehicle contact and balloon contact as the first and second highest ignition risks but does not explain how that affects its risk models or mitigation selection.”<sup>36</sup> PCF previously expressed concern<sup>37</sup> about SDG&E’s lack of intentional mitigation efforts with regard to its two highest ignition risks. In Resolution WSD-005, even the Commission acknowledged that, beyond undergrounding, SDG&E did not provide any details on how alternative mitigations were to be implemented to reduce the high risk of ignition.<sup>38</sup> SDG&E proffered undergrounding as the sole solution to reducing this risk; however WSD determined after the fact that it was unclear from SDG&E’s supplemental filings following

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<sup>34</sup> A.17-10-007/008, The Protect Our Communities Foundation Opening Brief (September 21, 2020), p. 8; A.17-10-007/008, The Protect Our Communities Foundation Reply Brief (October 5, 2020), p. 6.

<sup>35</sup> D.21-05-003, *Decision Regarding San Diego Gas & Electric Company’s and Southern California Gas Company’s Post Test Year Mechanism for 2022 and 2023* (May 6, 2021).

<sup>36</sup> Draft Resolution, p. 14.

<sup>37</sup> The Protect Our Communities Foundation Comments on the 2021 Wildfire Mitigation Plans Pursuant to Resolution WSD-001 (March 29, 2021), pp. 4-6.

<sup>38</sup> Wildfire Safety Division, Resolution WSD-005: Resolution Ratifying Action of the Wildfire Safety Division on San Diego Gas & Electric Company’s 2020 Wildfire Mitigation Plan Pursuant to Public Utilities Code Section 8386 (June 11, 2020), p. 18.

preparation of its 2020 WMP if the reduction of vehicle contact ignitions is the primary driver for mitigation initiatives.<sup>39</sup>

PCF agrees with WSD’s key areas of improvement and required remedies - inadequate transparency and inadequate accounting for ignition sources - in mitigation selection and risk modeling, marked as issue SDGE-1 in the Draft Resolution. As PCF has previously argued, WSD should not permit SDG&E to avoid acting on the identified vehicle contact risk as well as other third-party ignition risks. More specifically, SDG&E’s approach to risk assessment in both identifying and reducing ignition risk from third-party ignition sources remains dangerously insufficient. Thus, PCF agrees with WSD’s proposed remedies that require SDG&E to explain how these third-party ignition sources are factored into SDG&E’s risk models, how the sources impact mitigation selection, how SDG&E prioritizes ignition sources, how SDG&E targets mitigation efforts to reduce ignitions that are more likely to cause a catastrophic wildfire, and whether SDG&E treats third-party ignition sources differently than other ignition sources.<sup>40</sup> SDG&E should be required to detail its progress on these key issues in its Progress Report, as required by the Draft Resolution.

#### **IV. WSD MUST EVALUATE THE EFFECTIVENESS OF SDG&E’S COSTLY COVERED CONDUCTOR MITIGATION INITIATIVE.**

PCF appreciates WSD’s recognition that SDG&E provided limited evidence to support the effectiveness of SDG&E’s covered conductor program, and that SDG&E’s covered conductor mitigation efforts are at risk of being deployed “without first demonstrating a full understanding of its long-term risk reduction and cost-effectiveness.”<sup>41</sup> Moreover, PCF concurs with WSD’s observation that SDG&E is “not adequately targeting its covered conductor

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<sup>39</sup> Wildfire Safety Division Evaluation of San Diego Gas & Electric Company’s First Quarterly Report (January 8, 2021), (“WSD Evaluation of SDG&E QR”), p. 21.

<sup>40</sup> Draft Resolution, p. 14.

<sup>41</sup> Draft Resolution, p. 15.

installations and undergrounding efforts to high-risk circuits in its HFTD areas”<sup>42</sup> and that the program may not be cost-effective. PCF, alongside other parties, previously voiced concern about whether SDG&E’s wildfire mitigation initiatives were cost-effective, especially regarding SDG&E’s deployment of covered conductors.

PCF supports WSD’s requirement for the utilities to coordinate amongst each other to evaluate the effectiveness of their covered conductor risk mitigation programs in comparison to alternative mitigation initiatives. However, it remains critical that WSD monitor and assesses carefully SDG&E’s covered conductor mitigation measures, as presented in its 2021 WMP Update, to ensure that WSD and the Commission can evaluate the reasonableness of SDG&E’s costs for covered conductors. Careful evaluation of SDG&E’s expensive covered conductor program is necessary to ensure that SDG&E’s ratepayers are not charged unreasonable and excessive costs in the GRC for wildfire mitigation measures of questionable value.

**V. SDG&E HAS NOT FULLY REMEDIED DEFICIENCIES FROM ITS 2020 WMP AND MUST BE REQUIRED TO DO SO STARTING WITH THE NOVEMBER 1, 2021 PROGRESS REPORT.**

The draft resolution correctly requires SDG&E to “define quantitative threshold values (whether a standard value, a range of values, or an example of a typical value) for the criteria used to define a tree as “at-risk”.”<sup>43</sup> After the evaluation of SDG&E’s 2020 WMP, SDG&E was required to further explain what was incorporated into its “at-risk” attributes with regard to its vegetation management mitigations.<sup>44</sup> In SDG&E’s 2021 WMP Update, SDG&E’s sole glib statement of using more qualitative factors than quantitative fails to satisfy the deficiency and

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<sup>42</sup> Draft Resolution, p. 20.

<sup>43</sup> Draft Resolution, p. 18.

<sup>44</sup> WSD Evaluation of SDG&E QR, p. 32.

does not justify its lack of incorporation of vegetation characteristics into risk attributes.<sup>45</sup> This deficiency from SDG&E's 2020 WMP remained unresolved in SDG&E's 2021 WMP Update, as WSD's recommendations show at page 18 of the Draft Resolution. WSD correctly requires SDG&E to utilize quantitative data to inform targeting "at-risk" species. A purely qualitative evaluation of a tree's risk does not appropriately address ignition and outage risk.

PCF recommends that WSD revise issue SDGE-6 to require SDG&E to report on its progress in its November 1, 2021 Progress Report in acquiring the quantitative data, rather than its later March 2022 WMP Update. By requiring SDG&E to begin reporting this November rather than next March, interested stakeholders and WSD can closely monitor whether SDG&E is moving swiftly enough to comply with the remedies required by the Draft Resolution, and to ensure that SDG&E properly accounts for ignition risk during the upcoming wildfire season in Fall 2021.

## **VI. CONCLUSION**

WSD's evaluation of SDG&E's 2021 WMP Update in the Draft Resolution appropriately identifies the deficiencies present in SDG&E's 2021 WMP Update. PCF supports WSD's required remedies with regard to increasing transparency in accounting for ignition sources, specifically third-party ignition sources, in risk modelling and mitigation selection. PCF encourages WSD to assess and monitor carefully SDG&E's covered conductor mitigation initiatives, as well as the coordination between utilities on the effectiveness of covered conductor mitigation in comparison to alternative initiatives. PCF emphasizes the importance of ensuring SDG&E is held accountable for remedying the deficiencies identified in its WMPs, and that

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<sup>45</sup> Draft Resolution, p. 18 ("QR Action-SDGE-46 (Class B). from Jan. 8, 2021, required SDG&E to "define quantitative threshold values [...] for the criteria used to define a tree as 'at risk'." SDG&E responded to this requirement stating, "evaluation is based more on qualitative factors rather than qualitative."").

SDG&E should be required to report on its progress in doing so no later than November of 2021.

PCF recommends that WSD reject SDG&E's 2021 WMP Update until all the deficiencies and key areas for improvement are resolved.

Respectfully submitted,

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