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**E-filed with Docket # 2021-SCs**

October 25, 2021

Caroline Thomas Jacobs, Director  
Office of Energy Infrastructure Safety  
California Natural Resources Agency  
715 P Street 20th Floor  
Sacramento, CA 95814

**SUBJECT:** Reply Comments Regarding Southern California Edison Company's 2021 Safety Certification Request

Dear Director Thomas Jacobs,

In response to comments submitted by the Public Advocates Office of the California Public Utilities Commission (Cal Advocates) regarding Southern California Edison's (SCE) Safety Certification Request served on October 13, 2021, SCE respectfully submits these Reply Comments.<sup>1</sup>

While Cal Advocates acknowledges that SCE has met the requirements for safety certification, stating that "SCE's certification request may satisfy the requirements for receiving safety certificate," Cal Advocates nevertheless proceeds to make recommendations for: (1) additional reporting requirements regarding Safety Culture Assessment (SCA) implementation, and (2) additional "good standing" requirements.<sup>2</sup> These recommendations are inconsistent with the statutory requirements for safety certification under Public Utilities Code Section 8389 and should be rejected.<sup>3</sup>

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<sup>1</sup> No party other than Cal Advocates submitted timely comments on SCE's Safety Certification Request. Where SCE has not addressed a particular comment, this should not be interpreted as SCE's agreement with that comment.

<sup>2</sup> Cal Advocates Comments, p. 2.

<sup>3</sup> In addition, Cal Advocates misstates the role of safety certification as "one of the requirements an electric utility must fulfill to recover catastrophic wildfire costs from the Wildfire Insurance Fund." Cal Advocates Comments, p. 1. This is incorrect. Contribution to the Wildfire Fund, not a safety certification, is required in order to access the Wildfire Fund. Holding a valid safety certification results in (1) a presumption of reasonableness in a future cost recovery proceeding; and (2) a cap on liability in the event the utility is found to have acted unreasonably (i.e., reimbursement to the fund would be capped at a certain level). Public Utilities Code §§451.1, 3280(f), 3288(b), 3292, and 8386.3(e).

## **INTRODUCTION AND BACKGROUND**

On July 26, 2021, Energy Safety issued the “Final 2021 Safety Certification Guidance Pursuant to Public Utilities Code § 8389(f)(2)” (Final Guidance). The Final Guidance specifies that “[a]n electrical corporation can satisfy the ‘good standing’ requirement by agreeing to implement all of the findings (including recommendations for improvement) of its most recent safety culture assessment” and removed any references to additional requirements, which is consistent with the comments and reply comments of the investor-owned utilities, and contrary to the comments and reply comments of Cal Advocates.<sup>4</sup>

In August 2021, Energy Safety’s consultant, DEKRA Services, Inc. (DEKRA), completed its SCA for SCE and a draft report was published on August 24, 2021. SCE subsequently provided comments and, on September 2, 2021, Energy Safety issued the final SCA report attaching SCE’s comments.

On September 9, 2021, via e-filing with Energy Safety, SCE formally agreed to implement the recommendations in the SCA report, specifying those recommendations and stating that “[b]y this letter, SCE agrees to implement all of the findings and recommendations for improvement in the SCA report, thereby meeting the ‘good standing’ requirement of Section 8389(e)(2).”

On September 13, 2021, SCE filed its 2021 Safety Certification Request in which SCE referenced its September 9, 2021 e-filing agreeing to implement the findings of the SCA report in satisfaction of the “good standing” requirement.

On October 13, 2021, Cal Advocates filed comments on SCE’s Safety Certification Request, stating that:

“While SCE’s certification request may satisfy the requirements for receiving a safety certificate, Cal Advocates makes the following recommendations:

- Energy Safety should require SCE to provide more detail regarding how it intends to implement the Safety Culture Assessment (SCA) recommendations.
- Energy Safety should consider an electrical corporation’s history of implementing SCA recommendations over the last year, as part of the Public Utilities Code § 8389(e)(2) good standing requirement.”<sup>5</sup>

## **REPLY COMMENTS**

### **1. SCE Has Agreed to Implement All of the SCA Findings, Thereby Satisfying the Statutory Requirement**

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<sup>4</sup> Final Guidance, p. 4.

<sup>5</sup> Cal Advocates Comments, p. 2.

Cal Advocates states that SCE’s agreement to implement the findings of its SCA “includes only one sentence that discusses implementing the SCA findings”<sup>6</sup> as if to suggest that this is somehow deficient. It is not. In that “one sentence,” SCE meets its statutory obligation under Section 8389(e)(2) and “agrees to implement *all* of the findings and recommendations in the SCA report” (emphasis added). Nothing more is required, and Cal Advocates’ claim that SCE’s agreement to implement all the findings and recommendations “provides insufficient detail” is entirely without support. Energy Safety/DEKRA made four recommendations in the SCA Report that SCE agreed to implement, thereby meeting the statutory requirement necessary for safety certification.

Cal Advocates ambiguously states that “[w]hile SCE’s agreement to implement DEKRA’s SCA findings can satisfy the ‘good standing’ requirement in Public Utilities Code §8389(e)(2), SCE provides no details about how it plans to follow the recommendations of the SCA.”<sup>7</sup> Having acknowledged that SCE has met the “good standing” requirement, Cal Advocates cannot then proceed to ask for more than the statute requires.

As for Cal Advocates’ stated concern that “there is no measure by which Energy Safety or intervenors can gauge the feasibility of SCE’s expectations or determine SCE’s progress in addressing the recommendations during the quarter in which they are supposed to satisfy those recommendations,” Cal Advocates goes on to point out that *SCE is already required under Section 8389(e)(7) to provide a quarterly notification that “details the implementation of both its approved wildfire mitigation plan and recommendations of the most recent safety culture assessments.”*<sup>8</sup> Because SCE is required to submit these updates on SCA implementation quarterly, Cal Advocates’ concerns that they are “backward looking” are misguided; there are several opportunities for Energy Safety to review SCE’s progress. And if Energy Safety “has reason to doubt the veracity of the statements contained in the notification,” Energy Safety “shall perform an audit of the issue of concern.”<sup>9</sup> Therefore, there is no requirement or need for Cal Advocates to be provided with a separate, forward-looking “detailed plan” regarding SCA implementation on November 1, 2021. Energy Safety should not adopt such an additional requirement for safety certification, which would be inconsistent with the statutory requirement for “good standing.”

## **2. Cal Advocates’ Proposed Expansion of the “Good Standing” Requirements Would Violate the Statute**

Contrary to the plain language of Section 8389(e)(2), and contrary to Energy Safety’s Final Guidance, Cal Advocates once again seeks to expand the “good standing” requirement by recommending that “Energy Safety consider an electrical corporation’s previous history of implementing SCA recommendations over the last year, as part of the Public Utilities Code § 8389(e)(2) good standing requirement.” Energy Safety

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<sup>6</sup> Cal Advocates Comments, p. 2.

<sup>7</sup> Cal Advocates Comments, p. 4.

<sup>8</sup> Cal Advocates Comments, p. 4; Public Utilities Code §8389(e)(7) (emphasis added).

<sup>9</sup> Public Utilities Code §8389(e)(7).

cannot unilaterally expand statutory requirements as Cal Advocates suggests. Furthermore, Cal Advocates already attempted to expand the statutory “good standing” requirement in its comments and reply comments on Energy Safety’s proposed changes to safety certification guidance, but both the language of Section 8389(e)(2) and Energy Safety’s Final Guidance are clear: “An electrical corporation can satisfy the ‘good standing’ requirement by agreeing to implement all of the findings (including recommendations for improvement) of its most recent safety culture assessment.”<sup>10</sup> As such, Cal Advocates’ statement that “the agreement to implement SCA findings should not be the only factor” for “good standing” is without foundation, and its recommendation that Energy Safety consider an electrical corporation’s previous history of implementing SCA recommendations over the last year, as part of the Public Utilities Code § 8389(e)(2) good standing requirement, should be rejected.

## **CONCLUSION**

SCE appreciates the opportunity to submit Reply Comments regarding SCE’s 2021 Safety Certification Request. If you have any questions, or require additional information, please contact me at michael.backstrom@sce.com.

Sincerely,

//s//  
Michael A. Backstrom  
VP Regulatory Policy  
Southern California Edison

cc: Service List for Docket #2021-SCs  
Rachel Peterson, CPUC Executive Director

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<sup>10</sup> Final Guidance, p. 4; Public Utilities Code § 8389(e)(2).