

**BEFORE THE OFFICE OF ENERGY INFRASTRUCTURE SAFETY
OF THE STATE OF CALIFORNIA**

Electrical: Wildfire Mitigation Plans (WMPs)

Docket # 2022-WMPs

**REPLY COMMENTS OF THE COALITION OF CALIFORNIA UTILITY
EMPLOYEES ON THE 2022 WILDFIRE MITIGATION PLANS**

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The Office of Energy Infrastructure Safety’s (Energy Safety) *Final 2022 Wildfire Mitigation Plan (WMP) Update Guidelines* (2022 WMP Guidelines) permit interested persons to file opening comments on the large investor-owned utilities’ (IOUs) 2022 WMPs by April 11, 2022 and reply comments by April 18, 2022.¹ Pursuant to the 2022 WMP Guidelines, the Coalition of California Utility Employees (CUE) submit these reply comments.

I. Introduction

CUE is a coalition of labor unions whose approximately 43,000 members work at nearly all the California electric and gas utilities, both publicly and privately owned. CUE’s coalition union members make up the on-the-ground workforces of the three large electrical corporations that build, operate and maintain the electric grid. CUE’s coalition union members are directly impacted by implementation of the IOUs’ WMPs. CUE has participated in proceedings before the California Public Utilities Commission (CPUC) for more than 25 years, including as a party to the Order Instituting Rulemaking to Implement Electric Utility Wildfire Mitigation Plans Pursuant to Senate Bill 901 (2018), R.18- 10-007 and other related proceedings.

These reply comments respond to opening comments recommending that Energy Safety consider the costs and cost-effectiveness of PG&E’s undergrounding and enhanced vegetation management (EVM) programs when determining whether to approve PG&E’s WMP. As explained below, wildfire mitigation costs and cost-effectiveness are evaluated by the CPUC in each utility’s general rate case (GRC), not by Energy Safety.² Rather, Energy Safety is statutorily responsible for reviewing the WMPs to ensure that IOUs minimize the risk of wildfire posed by electrical lines and equipment,³ and “achieve the highest level of safety, reliability, and resiliency.”⁴ Therefore, TURN’s opening comments focused on the cost-effectiveness of undergrounding and EVM are entirely misplaced. Further, CUE’s reply comments show that PG&E’s proposed undergrounding and EVM programs satisfy the applicable legal standard –

¹ Office of Energy Infrastructure Safety, *Final 2022 Wildfire Mitigation Plan (WMP) Update Guidelines*, December 15, 2021; *see* Attachment 5: Guidelines for Submission and Review of 2022 Wildfire Mitigation Plan Updates, pp. 5-6 and 9.

² Public Utilities Code (PUC) § 8386.4.

³ *Id.* § 8386(a).

⁴ *Id.* § 8386(c)(14).

whether the mitigations achieve the “highest level of safety, reliability, resiliency.” Thus, Energy Safety should approve PG&E’s WMP.

II. Wildfire Mitigation Costs and Cost-Effectiveness Are Evaluated in Each Utility’s General Rate Case, Not Their WMPs

Legislative history makes clear that it is not legally proper for Energy Safety to evaluate the cost and cost-effectiveness of WMPs – that job is for the CPUC.

The devastating wildfires in 2017 and 2018 made two things clear: (1) a large cost that prevents even one wildfire is less than the cost inflicted by a wildfire, even one that takes no lives, and (2) fire prevention activities can’t wait. The Governor and Legislature understood this when they enacted SB 901 (Dodd), tasking the Commission with ensuring that electric utilities’ systems “will achieve the highest level of safety, reliability and resiliency.”⁵ SB 901 was the product of the Conference Report of the Wildfire Preparedness and Response Legislative Conference Committee (Wildfire Committee).⁶

Prior to the Wildfire Committee, SB 901 was a bill focused on the policy for de-energizing lines. That bill became the vehicle for the Conference Report. SB 901’s language came from many sources, but SB 1088 (Dodd) served as the primary source for the new provisions in Public Utilities Code section 8386. Section 8386 as written in SB 901 differed from the language of SB 1088 in one critical respect: the consideration of all issues of the cost and cost effectiveness of wildfire mitigation.

A core feature of SB 1088 was to change the current practice of considering the cost and cost effectiveness of utility safety activities in the GRC. SB 1088 would have created a new proceeding that combined safety plans for wildfire (and other risks) with consideration of the cost and cost effectiveness of various measures in those plans. The new proceeding would have *replaced* the safety portion of the GRC.⁷ The rationale was that when the safety plan was considered, the cost and cost effectiveness of the elements in the plan should be considered in the safety plan proceeding itself rather than in the separate GRC proceeding.

This aspect of SB 1088 was vigorously opposed by TURN. TURN testified before the Senate Energy, Utilities and Communications Committee that the Commission devoted lots of effort to developing its Risk Assessment Mitigation Phase process that comprehensively considered the cost and cost effectiveness of safety risk mitigation. TURN said, correctly, that SB 1088 would eliminate this process and replace it with a new proceeding. At subsequent hearings, TURN called the bill a “blank check for utilities” *because costs and cost effectiveness*

⁵ *Id.* § 8386(c)(12).

⁶ *See generally* California State Senate, Wildfire Preparedness and Response Legislative Conference Committee, <https://focus.senate.ca.gov/wildfirecommittee> (2019).

⁷ *See* SB 1088 (Dodd), Section 4 (proposing Chapter 11, Utility Infrastructure, Safety, Reliability, and Accountability) (Feb. 12, 2018), *available at* http://leginfo.legislature.ca.gov/faces/billPdf.xhtml?bill_id=201720180SB1088&version=20170SB108893AMD.

*would be considered in the new safety plan proceeding rather than in a GRC.*⁸ The question of whether cost and cost effectiveness should be considered in the safety plan proceeding or in the GRC was a major point of contention.

SB 1088 passed out of the Senate and two Assembly Committees. But while it awaited action from the Assembly Appropriations Committee, the Wildfire Committee became the new forum to address wildfire mitigation efforts and SB 901 became the legislative new vehicle. However, some of SB 1088's provisions were incorporated into SB 901 primarily through Governor Brown's proposal.⁹

Most importantly, Governor Brown's proposal, and ultimately SB 901's final language, pointedly omitted all the provisions related to cost and cost effectiveness. In fact, the Governor's proposal expressly required consideration of cost and cost effectiveness in the GRC: "The commission shall consider whether the cost of implementing each electrical corporation's plan is just and reasonable *in its general rate case application.*"¹⁰ This is the exact language enacted.

To further confirm that cost is simply not a subject of the WMP proceeding, SB 901 required the Commission to authorize memorandum accounts to track costs incurred to implement the plan.¹¹ Those costs are reviewed in the GRC,¹² not in the WMP proceeding.

Following the first iteration of WMPs, the governor and legislature enacted AB 1054 and AB 111 which established a new framework for reviewing wildfire mitigation plans. AB 1054 did not, however, change the review of wildfire mitigation plan costs, which still occurs in the GRC.¹³ Moreover, because the WMP process is not about cost, but instead about swiftly reviewing and approving plans, AB 1054 requires the Division to approve or deny wildfire mitigation plans within three months of submission.¹⁴ Given this legislative history, it is clear all questions related to cost of wildfire mitigation programs are for the GRC.

Despite this legislative history, TURN's comments on PG&E's WMP focus on the costs and cost-effectiveness of PG&E's undergrounding and EVM programs. TURN's comments are entirely misplaced because, as statute commands, costs and cost-effectiveness of WMPs are considered by the CPUC in GRCs, not by Energy Safety.¹⁵ Indeed, TURN's own comments acknowledge that its data regarding the cost-effectiveness of PG&E's programs was developed

⁸ D. Baker, *California Wildfire Bill Could Lead to Overspending, Group Warns*, San Francisco Chronicle (Apr. 16, 2018), <https://www.sfchronicle.com/business/article/California-wildfire-bill-couldlead-to-12839000.php>.

⁹ Letter to The Honorable Bill Dodd, California State Senate, from Edmund G. Brown, Jr., Office of the Governor re: Wildfire Legislation Proposal (July 24, 2018), available at https://focus.senate.ca.gov/sites/focus.senate.ca.gov/themes/wildfirecommittee/files/Governor-Brown-Proposal_072418.pdf.

¹⁰ PUC § 8386(g) (emphasis added) (now codified at *id.* § 8386.4(b)(1)).

¹¹ *Id.* § 8386(e) (now codified at *id.* § 8386.4(a)).

¹² *Id.* § 8386(g) (now codified at *id.* § 8386.4(b)(1)).

¹³ *Ibid.*

¹⁴ *Id.* § 8386.3.

¹⁵ *Id.* § 8386.4.

in the GRC.¹⁶ And, of course, TURN will have an opportunity to weigh in on WMP costs and cost-effectiveness during the GRC process. Also, if TURN wishes to ask the legislature to adopt a different statutory scheme where WMP costs are considered together with the substantive provisions of WMPs in a new CPUC proceeding, as was proposed in SB 1088, CUE would gladly co-sponsor such legislation.

III. PG&E’s Undergrounding and EVM Programs Satisfy the “Highest Level of Safety, Reliability, and Resiliency” Standard

Public Utilities Code Section 8386(c)(14) requires electrical corporations’ WMPs to include:

A description of the actions the electrical corporation will take to ensure its system will achieve the highest level of safety, reliability, and resiliency, and to ensure that its system is prepared for a major event, including hardening and modernizing its infrastructure with improved engineering, system design, standards, equipment, and facilities, such as undergrounding, insulating of distribution wires, and replacing poles.

To meet this legal requirement, PG&E proposes to underground 10,000 miles of electric distribution powerlines in and near High Fire Threat District (HFTD) areas to significantly reduce wildfire risk.¹⁷ Due to the high percentage of PG&E’s service territory that lies in HFTD Tier 2 and 3 areas, PG&E’s undergrounding program is necessary to achieve the highest level of safety, reliability, and resiliency.

PG&E explains that “[o]ver half of PG&E’s service territory lies in High Fire Threat District 14 (HFTD) Tier 2 and 3 areas as identified by the CPUC in 2018... The wildfire threat in these areas has increased significantly over the past decade.”¹⁸ Further, “[a]pproximately 25,500 line-miles of distribution assets lie within these HFTDs, roughly one-third of PG&E’s total overhead assets... Many of these are long lines that serve low-density, non-urban customers and communities located within the ‘wildland-urban interface,’ who face increased fire risk.”¹⁹ PG&E explains that its undergrounding efforts will increase safety, resiliency, and reliability:

Building and expanding PG&E’s electric distribution system underground will not only help eliminate wildfires caused by overhead equipment failures, but it will also help to reduce the need for and/or frequency of PSPS outages and Enhanced Powerline Safety Settings (EPSS), improving system reliability under the full range of weather and fire risk conditions.²⁰

PG&E further explains in its GRC testimony that one key system-resiliency benefit of undergrounding includes reduced weather-related outages:

¹⁶ TURN Opening Comments, pg. 2.

¹⁷ A.21-16-021, PG&E 2023 GRC Ex. PG&E-4, pg. 9-2 (Feb. 25, 2022).

¹⁸ *Id.* at pgs. 4-5.

¹⁹ *Id.*

²⁰ PG&E 2022 Wildfire Mitigation Plan, pg. 523.

For example, falling tree limbs, high winds, and heavy snow during storms will not cause damage or create the same disruptions experienced with overhead power lines under the same harsh conditions... Moreover, decreased exposure to harsh weather conditions that degrade or damage electric facilities will also improve system resiliency in the long-term.²¹

Thus, PG&E’s 2022 WMP and GRC testimony demonstrate that its undergrounding program will help achieve the highest levels of safety, reliability, and resiliency, as required by law.

PG&E’s 2022 WMP states that PG&E intends to perform 1,800 miles of EVM work in 2022.²² PG&E’s EVM Program is targeted at reducing the possibility of wildfire ignitions and/or downed wires and outages due to vegetation contact with overhead distribution lines and other PG&E electric equipment in Tier 2 and Tier 3 HFTDs.²³ The EVM program includes three main components: (1) expanded radial clearance beyond minimum requirements; (2) overhang clearance; and (3) evaluating the condition of any tree tall enough to strike electrical lines or equipment (referred to as trees with “strike potential”), documenting this inventory of trees, and removing trees that do not pass assessment using the Tree Assessment Tool (which evaluates an individual tree’s likelihood of failing and indicates whether to abate the tree).²⁴ Due to the high percentage of PG&E’s service territory that lies in HFTD Tier 2 and 3 areas, and the known risk of wildfire ignitions and/or downed wires and outages due to vegetation contact with overhead distribution lines, PG&E’s EVM program is calculated to meet the highest levels of safety, reliability, and resiliency, as required by law.

IV. Conclusion

Energy Safety should not consider TURN’s comments on the costs and cost-effectiveness of PG&E’s undergrounding and EVM programs. It is the CPUC’s job to determine whether WMP implementation is reasonable and cost-effective. Energy Safety’s statutory mandate is to review WMPs to ensure they minimize the risk of wildfire posed by electrical lines and equipment, and “achieve the highest level of safety, reliability, and resiliency.” PG&E’s undergrounding and EVM programs satisfy these requirements and, therefore, Energy Safety should approve PG&E’s WMP.

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²¹ PG&E 2023 GRC Ex. PG&E-4, pg. 4.3-11.

²² PG&E 2022 WMP, pg. 277, Table PG&E 5.3-1(A).

²³ PG&E 2023 GRC Ex. PG&E-4, pg. 9-2.

²⁴ PG&E 2022 WMP, pg. 636.

Thank you for your consideration of these comments.

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Respectfully submitted,

/s/

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