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VIA E-MAIL

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

**RE: SDG&E Comments on Energy Safety's 2023 WMP Guideline Development Workshop**

**Docket 2023-WMPs**

Dear Director Thomas Jacobs:

SDG&E hereby provides reply comments to Energy Safety's Wildfire Mitigation Plan (WMP) Guidelines Development Workshop held on April 22, 2022.

**I. SUMMARY OF COMMENTS AND GENERAL RECOMMENDATIONS**

Energy Safety's 2023 WMP Guidelines Development Workshop (workshop) provided valuable insight into the planned updates and modifications that Energy Safety has developed on WMP guidelines. SDG&E supports Energy Safety's overall goal to optimize the WMPs by streamlining the scope and structure of the guidelines in 2023, however, SDG&E notes that some degrees of flexibility should still be maintained so that utilities can appropriately show program success in their WMPs. SDG&E urges Energy Safety to ensure that the finalized guidelines are approved by Energy Safety by September 2022 to allow for the utilities to provide comprehensive WMP filings.

While informative, SDG&E found that the workshop had many proposals within the guidelines that require additional clarification. Energy Safety should provide greater clarification on the proposed petition process and what portions of the WMP it would apply to, clarification on aspects surrounding reporting additions on risk modeling, and clarification regarding freezing of risk modeling to ensure that model enhancements may still be appropriately made.

Given the existing scope and breadth of the WMPs, any new guidelines should minimize the duplication of efforts required from the utilities. SDG&E asks that Energy Safety ensure the

addition of new reporting sections on maturity models does not lead to duplication of reporting that already exists within other sections. Finally, SDG&E requests that existing workshops be utilized to review aspects of risk modeling, instead of duplicating these workshops and review processes.

## **II. RESTRUCTURING OF GUIDELINES AND STAKEHOLDER INPUT**

### *a. SDG&E Supports Moving Toward a More Uniform Structure for WMP Reporting, but the Structure Should Provide Opportunities for Flexibility to Allow for Detailed Review*

SDG&E supports the proposal from Energy Safety to create additional appendices and chapters for the 2023 WMP guidelines to streamline the scope and structure of the guidelines.<sup>1</sup> Energy Safety presented the proposed outline for Appendix D, which would be inclusive of a WMP submission template that would include standard narratives, tables, and standards for data visualizations.<sup>2</sup> SDG&E agrees that the proposed structure of using a template for WMP reporting will provide utilities with guidance that will overall simplify the WMP process. However, SDG&E does ask that Energy Safety consider the need for flexibility in these templates so that utilities are able to add tables, graphs or photos that may be outside of the template structure. These examples of additional items would potentially allow utilities to show the successes of a program that may not be able to be fully communicated through the template structure. SDG&E also asks that Energy Safety utilize this proposed structure of additional appendices to remove redundant or unnecessary aspects of a utility's WMP submission to reduce the volume of each submission.

### *b. The Final 2023 WMP Guidelines Should be Released No Later than September 2022 to Allow the Utilities to Better Develop and Refine the Submissions*

Given the revisions to the WMP process under consideration for 2023, it is imperative that the Final Guidelines be released no later than September 2022. This will allow utilities time to prepare and develop comprehensive plans in the format required by Energy Safety. When the utilities have the time necessary to prepare and refine their WMP submissions, all stakeholders are served because it facilitates ease of review, fewer data requests, and reduces the need for errata. The finalization of the 2022 Guidelines on December 15, 2021 resulted in the addition of several requirements and significantly changed the anticipated submission date for SDG&E. This made it extremely challenging to prepare the WMP for a timely submission.

Energy Safety's presentation included the proposal to release draft guidelines by the end of Summer 2022, and final guidelines by Fall.<sup>3</sup> In comments to the 2022 WMP Updates, Cal

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<sup>1</sup> Energy Safety presentation at the April 22, 2022 workshop, slide 20.

<sup>2</sup> Energy Safety presentation at the April 22, 2022 workshop, slide 21.

<sup>3</sup> Energy Safety presentation at the April 22, 2022 workshop, slide 6.

Advocates asserted that the final guidelines should be approved by September 2022,<sup>4</sup> and SDG&E agreed with this stance in reply comments.<sup>5</sup> SDG&E continues to support a target date of September 2022 for issuance of the Final Guidelines.

*c. Energy Safety Should Further Consider Means to Stagger WMP Submissions, Streamline Annual Updates, and Review Submissions Within Statutorily Mandated Timeframes*

SDG&E does not object to continuing the practice of staggered submissions of the electrical corporations' WMPs. In developing the schedule, however, Energy Safety should continue to consider the approval timeframe provided by Public Utilities Code Section 8386 and ensure that submissions are considered within the 90-day timeframe. The WMP remains an integral part of the electrical corporations' business operations, and continued certainty promotes streamlined operations planning and continuity of projects. Moreover, given the timing of the annual safety certification process, it is important that the electrical corporations continue to obtain timely approval of their WMPs, or understand the need for revisions. This has not been an issue to date and SDG&E is confident that the process ultimately developed by Energy Safety will not jeopardize the financial and operational security afforded the electrical corporations through the AB 1054 structure.

SDG&E also welcomes further discussion regarding a process to differentiate the three-year comprehensive plans and the annual updates. Currently, the electrical corporations largely produce what amounts to a new plan each year. A process by which the electrical corporations file a comprehensive three-year plan, with streamlined annual updates, will generate more meaningful submissions from utilities and facilitate more efficient review from Energy Safety and stakeholders. Ideally, the annual Updates should instruct electrical corporations to include updated material, changes, and revised data for WMP updates, such as tables and initiatives, rather than complete revisions—which can often include restating unchanged existing programs and initiatives—as is the current common practice. This standardized structure would provide a better opportunity for comparison across the utilities.

SDG&E does not see the benefit of Energy Safety's proposal to submit WMPs or Annual Updates one year ahead of the effective year.<sup>6</sup> Each WMP is updated based on continuous improvements made, and submitting Plan or Update one year before its effective date would lead to a less accurate and less up to date WMP.

To promote efficient use of resources for stakeholders and the electrical corporations, SDG&E also suggests that a major WMP filing not occur in the same year as the utility's General Rate Case filing, and instead proposes a staggered structure to reduce such a heavy workload of reporting in the same year. With this approach, comprehensive plans could be staggered among the utilities like the General Rate Case process.

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<sup>4</sup> Cal Advocates Comments to the 2022 WMP Updates, recommendation 27.

<sup>5</sup> SDG&E reply comments to 2022 WMP Update at 2.

<sup>6</sup> Energy Safety presentation at the April 22, 2022 workshop, slides 24-25. SDG&E is further concerned that submitting WMPs for approval one year in advance of the effective year could implicate the 90-day approval requirements of Pub. Util. Code §8386.3(a).

SDG&E also suggests that Energy Safety modify the quarterly data report (QDR) reporting timing so that QDRs for the fourth quarter (Q4) of each year are submitted simultaneously with the WMPs. In 2022, SDG&E submitted its Q4 QDR 10 days before submitting its WMP, and PG&E submitted its Q4 QDR 24 days before the WMP. This gap in timing causes a difference in data submitted in the Q4 QDR and the WMP and led to confusion amongst parties reviewing the data. Simultaneous submission will allow utilities the opportunity to provide a singular up-to-date set of data and provide consistency of reporting to Energy Safety.

*d. Energy Safety Should Provide More Clarification Regarding the Petition Process and Seek Further Stakeholder Input Prior to Adopting Final Guidelines*

SDG&E's understanding regarding the approved petition process is that Energy Safety plans to utilize this new petition process to review changes to a utilities' WMP that are not already permitted via existing processes. The existing processes available to make changes to a WMP include errata, approved change orders, addition, modification or elimination of operational policies practices and procedures for mitigation activities and initiatives,<sup>7</sup> and changes that fall outside of these existing processes would be submitted via the approved petition process. SDG&E's interpretation is that this process would be used only if an initiative is completely removed from the WMP or update as an initiative.

Overall, SDG&E asks that Energy Safety provide significantly more clarification surrounding the proposed petition process that can confirm or deny SDG&E's interpretations regarding this new proposed process. Examples of necessary clarification include:

- Energy Safety should clarify what aspects of a utilities WMP will require a petition. Energy Safety's presentation mentioned that significant changes to fundamental risk models will need to be proposed via the petition process.<sup>8</sup> Does this mean that the petition process only applies to changes to risk models, or to all changes in the WMP that do not fall under one of the already existing processes to make changes?
- Second, SDG&E asks that Energy Safety clarify what the timeframe of petitions will look like. When will utilities be required to submit these petitions to Energy Safety, and when will Energy Safety let a utility know if a petition process is accepted?

*e. Freezing Risk Modeling and Mitigation Strategy Will Deter Innovation and Improvements in Wildfire Mitigations*

Energy Safety's proposal to "freeze" fundamental risk models and high-level mitigation strategies and limit changes to those achieved through the petition process should be revised. Wildfire mitigation is an innovative process, subject to constant revision and improvement in

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<sup>7</sup> Energy Safety presentation at the April 22, 2022 workshop, slide 31.

<sup>8</sup> Energy Safety presentation at the April 22, 2022 workshop, slide 36.

response to new technologies, strategies, and changing climate conditions. Freezing this process would serve to have the unintended effect of limiting wildfire mitigation efforts.

SDG&E is continually improving its risk models through ongoing study, third party validation, and the incorporation of stakeholder feedback. These improvements benefit community safety, promote the use of proper mitigation strategies given area conditions, and provide efficient use of resources for our ratepayers. In addition, SDG&E's machine learning models are trained on historical observation to increase accuracy. SDG&E is progressing with developing cloud support to enable dynamic analysis capabilities to support real-time operations; freezing the model would prevent SDG&E from utilizing this most accurate information to reduce risk. As the data science and wildfire management fields continue to evolve symbiotically, the ability to reconfigure and adjust model assumptions, data sources, and algorithms with associated hyperparameters is essential for maintaining the integrity of models.

SDG&E suggests that a versioning system of each model would be an appropriate way to continue to progress risk models while still providing Energy Safety with transparency regarding model improvement and decision making. Moreover, models should not be considered absolute quantifiers of risk, but rather additional information that is useful for decision-makers. Freezing the models, in the fashion envisioned and proposed during the Workshop may also create a disconnect between the WMPs and the electrical corporations Risk Assessment Mitigation Phase (RAMP) proceedings at the Commission. A model versioning system would improve transparency and reduce confusion while still allowing for necessary innovation.

*f. Energy Safety Should Continue to Limit Review of Costs in the WMP Process*

While program costs are relevant to assessing the risk mitigation of WMP initiatives, rate impacts and cost recovery are separate from the WMP Update approval process and should remain so. SDG&E continues to emphasize that adequate funding is critical to these improvements.<sup>9</sup> The reasonableness of that funding is assessed by the Commission in the electrical corporations' General Rate Cases. The current cost forecasts included in the WMPs are adequate to understand the risk reduction provided and program efficiencies.

Further, the WMP approval should not be hindered by differences in projected cost and actual spend, nor should they—standing alone—form the basis for compliance actions or identified deficiencies. There are a number of reasons that costs may fluctuate from forecasts, especially for significant projects described in the WMPs. For that reason, additional cost information should remain the province of the utilities' respective cost recovery proceedings.

*g. Findings Regarding Defects and Violations are Outside the Scope of the Wildfire Mitigation Plans and Plan Updates, and Should Continue to Be Addressed Through Separate Proceedings*

As already mentioned in SDG&E's comments to the WSAB recommendations,<sup>10</sup> Energy Safety has previously declined to require information regarding Notices of Violation in the WMPs and should continue to do so in future guidelines. The Public Utilities Code recognizes

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<sup>9</sup> SDG&E Reply Comments to 2022 WMP Update at 1.

<sup>10</sup> SDG&E Comments to WSAB recommendations at 2.

the distinct process that address approval of the WMP—which is achieved through the electrical corporations’ annual WMP submissions and updates—and compliance with the WMP. Public Utilities Code Section 8386 establishes the various requirements of the WMPs; if a utility files a plan in compliance with those requirements, Energy Safety should approve the Plan. Plan compliance is addressed through a separate process “following approval of [Plan],” and the California Public Utilities Commission (Commission) maintains authority to penalize the electrical corporations for instances of “substantial noncompliance with the plan.”<sup>11</sup> The utilities also report on Plan compliance through their quarterly submissions.

Energy Safety has established a transparent public process by which all stakeholders may review Notices of Violation or Defect, and in instances where an electrical corporation requests a hearing to contest the allegations, that process allows for stakeholder comment.<sup>12</sup> The WMPs should not be a forum for stakeholders to review instances of potential violations and potentially second guess or re-litigate violations or defects that have already been resolved through the process established by Energy Safety. For these reasons, Energy Safety should continue to oversee WMP compliance through a separate process distinct from review and approval of the WMPs.

### **III. RISK ASSESSMENT**

#### *a. To Promote Innovation and Reflect Differences Between Utilities, the 2023 WMP Guidelines Should Continue to Provide Flexibility*

Utilities should be able to define their own components that best reflect the information that can be ascertained by data, provided the method fits in the LoRE x CoRE framework agreed upon in the S-MAP Proceeding. The breakdown of these components creates potential technical issues as models mature, since the modeled events are not necessarily mutually exclusive. For example, it can be true that both a tree and a foreign object contact a powerline. In such a case, forcing two separate models would amount to double-counting.

Further, SDG&E asks that Energy Safety better clarify what is meant by “environmental” conditions or risk data that would be required to report on.

The guidelines should provide flexibility regarding the breakdown of risk components and allow this element to be dictated by data. SDG&E is currently creating modular models that combined, aggregate to segment risk. SDG&E is committed to explore and create granular models based on historical records. And SDG&E is open to discussing proposals regarding transparency and model substantiation during the process of finalizing the 2023 Guidelines. The best place to gather information regarding these proposals and further discuss the complexity of these issues is the existing Energy Safety Risk Modeling Working Group.

### **IV. MATURITY MODEL**

SDG&E requests that when Energy Safety considers including the expansion of the data governance or other cross-cutting themes, these additions be clearly differentiated from other

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<sup>11</sup> Pub. Util. Code §8386.3(c); Pub. Util. Code § 8386.1.

<sup>12</sup> See Ca. Gov. Code §15475.4(b).

proposed sections. The inclusion of cross-cutting themes that may be represented elsewhere, or are similar across categories, may lead to reoccurring and unnecessary repetition of information. SDG&E asks that the suggestion to include safety culture as a new category within the maturity model should include ties into the current wildfire safety culture assessment process and discuss the steps already taken by utilities, instead of including new or redundant requirements.

## **Conclusion**

SDG&E appreciates Energy Safety's consideration of these comments on the 2023 WMP Guidelines Workshop and requests that Energy Safety take these recommendations into account in developing the Final Guidelines.

Respectfully submitted,

/s/ Laura M. Fulton

Attorney for

San Diego Gas and Electric Company