

October 26, 2022

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 2023-2025 Draft Wildfire Mitigation Plan Guidelines, Package 1 Docket #2023-2025 WMPs

Dear Director Thomas Jacobs:

SDG&E hereby provides comments regarding the Draft 2023-2025 Wildfire Mitigation Plan (WMP) Guidelines (Draft Guidelines), Package 1, provided by the Office of Energy Infrastructure Safety (Energy Safety) on September 19, 2022.

A. FINAL 2023-2025 WMP GUIDELINES SHOULD PROMOTE THE COMPLETION OF THE WMP REVIEW PROCESS WITHIN STATUTORY REQURIEMETNS AND FACILITATE THE UTILITIES FILING A TIMELY SAFETY CERTIFICATION REQUEST IF APPLICABLE

In comments to Energy Safety's 2023 WMP Guideline Development Workshop, SDG&E asked that the Final Guidelines be released no later than September 2022 to allow utilities time to prepare and develop the comprehensive plans in the format required by Energy Safety.¹ As is evident from both the Draft Guidelines, templates, and the maturity survey, the work associated with preparation of the upcoming submission requires significant resources and effort, and extensive planning. Now, in mid-October, SDG&E remains concerned that Energy Safety has yet to release the final guidelines to the 2023-2025 WMP finalized templates for reporting – nor is there any certainty regarding when it will do so. SDG&E asks for no last-minute additions or significant directional changes to the Draft Guidelines, tables, or reporting templates so that utilities may start the process of developing and completing their WMPs in a timely manner. Energy Safety should also remain mindful that the same resources developing the WMP and complete the reporting requirements are the same people tasked with producing the Company's

¹ SDG&E Comments on Energy Safety's 2023 WMP Guideline Development Workshop, May 6, 2022 at pg. 2.

quarterly reports, implementing WMP initiatives, and working during emergency wildfire and PSPS activations during the San Diego region's peak wildfire season.

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SDG&E generally supports the direction to differentiate the initial "Base WMP" from the mid-cycle WMP Updates and the transition to a year-ahead submission. But SDG&E has significant concerns with setting 2024 targets as part of the 2023 Base WMP submission with no process to address potential necessary revisions. As a threshold matter, this presents challenges for planning and execution as changing conditions often require flexibility for targets. Moreover, SDG&E needs flexibility to modify targets to foster and realize enhancements in risk modeling, prioritization of work, mitigation effectiveness, operational factors and constraints, and lessons learned. This flexibility is also consistent with the intent of Assembly Bill (AB) 1054, which instituted and anticipated a process of annual WMP updates to allow a fluid means for utilities to address changes to risk modeling, available mitigations, and continually respond to the emerging threats associated with wildfire and climate risk.²

SDG&E proposes that—given the new two-year submission, Energy Safety include a means to modify 2024 targets beyond the change order process. One option to consider that would promote a reasonable level of flexibility would be to allow utilities to update scope, targets and costs in the Q4 2023 Quarterly Reports (anticipated to be due on Feb. 1, 2024) and for those submitted targets to constitute the annual compliance goals for 2024. Absent a mechanism for a 2024 update process, the targets provided for 2024 in the 2023-2025 WMP should not be associated with any 2024 compliance requirements because they simply do not take enough timely data into account.

SDG&E also asks that Energy Safety consider releasing two separate decisions on the electrical corporations' 2023-2025 Base WMPs: one decision for the 2023 WMP and one decision for the 2024 WMP. Energy Safety proposes the pre-submission process in order to have additional time to evaluate the completeness of the WMPs, and has now made the Large IOUs final WMPs due on March 27, 2023.³ SDG&E has concerns that this later due-date for the Large IOU WMP submittals, and estimated draft decisions released mid-July, is too close to the September deadline⁴ by which the Large IOUs need to submit their annual safety certification requests. Further, allowing for a decision on the 2023 WMP to come before the second decision addressing 2024 initiatives would better facilitate Energy Safety meeting or coming reasonably close to the statutory three-month deadline for WMP review.⁵

B. FINAL GUIDELINES SHOULD PROVIDE ADDITIONAL CLARIFICATIONS

1. Energy Safety Should Clarify the Pre-Submission Process as Administrative Between Energy Safety Staff and the Utilities

² *See*, Pub. Util. Code §8386(b).

³ Energy Safety's Draft 2023 Wildfire Mitigation Plan Schedule at Attachment 1.

⁴ Per 2022 Safety Certification Guidelines at p. 6.

⁵ Pub. Util. Code § 8386.3(a). The three-month deadline also demonstrates the Legislature's concern that the annual WMP process not drag on and impede the timeliness of the safety certification process.

SDG&E believes that the pre-submission process provides for a meaningful dialogue between the electrical corporation and Energy Safety to address and remedy areas of incomplete data or provide additional clarification. That said, the pre-submission process should not additionally extend the process by which Energy Safety and stakeholders may perform additional substantive review and associated discovery regarding the WMP. If that were to be the case, the pre-submission would just become the actual WMP submission for all intents and purposes. Further, the pre-submission process would also unnecessarily extend the WMP review process which by statute is to be complete within three months and has already been extended by Energy Safety to four months—by yet another month. For these reasons, the pre-submission should be a confidential administrative process between the utility and staff. This process has been used by other regulatory bodies such as the California Public Utilities Commission and has proven fruitful.

The confidential administrative process would also allow the utilities additional time to prepare and ADA compliant filing of its WMP in accordance with Energy Safety's Guidelines, as the pre-submission would be private and therefore not subject to this requirement. Additionally, the current process would make the WMP pre-submission a public document subject to discovery. Finally, should Energy Safety require or request corrections in the utility's final WMP submission, it would essentially result in two public versions of the WMP for that utility. This would cause confusion to the public and other stakeholders who may be commenting on or reviewing an incorrect version of the WMP, creating an additional burden on utilities and stakeholders alike.

2. Energy Safety Should Redefine "Independent Review"

The Draft Guidelines ask that electrical corporations conduct an "independent review" on risk data and models.⁶ SDG&E asks that Energy Safety redefine the "independent review process" instead as a "review process" and allow utilities to internally review their own WMPs. SDG&E intends to set up an internal review process including review by internal WMP leads, WMP project managers, program owners, management, legal, regulatory, technical writers, and senior leadership to ensure all requirements of the WMP Guidelines are met, and clearly and concisely communicated. SDG&E plans to continue this internal review process in producing the 2023-2025 Base WMP. With respect to risk modeling, Energy Safety should limit the need for independent review to major model changes, as ongoing independent review would unnecessarily tax resources and lead to redundancies.

3. SDG&E Asks that Weather Dependent Metrics be Modified

The draft guidelines in Section 4.2 (Table 4-1) ask for future metrics that are weather dependent and outside the utilities' control. Instead, to demonstrate performance, SDG&E asks that Energy Safety ask for reporting on performance by tying metrics to goals and operations withi the control of the electrical corporation. Examples of such metrics are: PSPS duration, PSPS restoration time, number of customers impacted on an average PSPS event, and infrastructure repair time.

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Draft 2023-2025 WMP Guidelines at p.66.

4. SDG&E Finds the Requirement for Anticipated Risk Reduction at the Circuit Level for each Mitigation to be Not Feasible

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Section 7.2.2.1, Projected Risk Reduction over Three-Year Cycle, asks for a summary of risk reduction for each high-risk circuit for each mitigation initiative. Risk reduction for each initiative is calculated for overall wildfire risk and PSPS risk. The guidelines ask for the percentage of risk reduction for each mitigation initiative at the circuit level, which is not feasible at this time. SDG&E will provide the Risk Reduction Metrics based on the WiNGS Planning model, which includes covered conductor and undergrounding and continue to reassess additional information if it becomes feasible.

5. SDG&E Finds the References in the Guidelines to Appendix B unclear.

Several of the sections of the Draft Guidelines reference Appendix B, Supporting Documentation. However, Appendix B contains over 30 pages of different scenarios. SGD&E asks that the Final Guidelines direct to the exact section or page number within Appendix B.

C. MODELING AND SCHEMA REPORTING REQUIREMENTS SHOULD BE REASSESSED AND REDUCED

1. Utilities Should Only be Required to Report on Existing Schema Data

SDG&E has concerns about the volume and scope of data requested in the form of a geospatial map in Appendix B of the Draft 2023-2025 Guidelines. Information that is already within SDG&E's data schema will be reported on in the WMP. However, data that is not already within SDG&E's schema cannot be reported on at this time. To gather this data, SDG&E will need to acquire data from third parties, which will take time and resources beyond the timeframe given for WMP reporting. Additionally, some mitigation initiatives that the Draft Guidelines request in a schema are not projected spatially by SDG&E that far in advance. Because of this, SDG&E asks that Energy Safety allow utilities to report on data schema that is referenced in the current Energy Safety Geographic Information Systems Data Standard.⁷

2. Risk Modeling Requirements Should be Reassessed for Necessity and Importance

While SDG&E supports ongoing evolution and innovation in risk modeling, the Draft 2023-2025 Guidelines request design scenarios that are not currently modeled. SDG&E proposes to prioritize certain identified design scenarios, and notes below the scenarios that would be difficult to implement at this time.

Section 6, Risk Methodology and Assessment, does not specify the implementation timing of the majority of the new elements, and the guidelines do not indicate which model the new requirements are intended for. SDG&E asks for more clarity on elements being added to the operations or planning investment model to understand the intent of these requirements. SDG&E also proposes to develop a longer-term roadmap with milestones on currently unavailable or

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Energy Safety GIS Data Reporting Standard, version 2.2, released January 14, 2021.

additional risk modeling items. All new factors and components being incorporated into the model will need to be evaluated, and the model output needs to be substantiated, with subsequent weighting calibrations being made for each new data point. The interplay of each new variable with existing variables will not be known until testing is completed. The desired outcome resulting from these additions is speculative and conceivably may not provide a substantial improvement of the model. SDG&E requests removal of language that implies a requirement of the incorporation of factors without validation of value to the model.

For example, section 6.2 Risk Analysis Framework asks, at a minimum, that electrical corporations must evaluate the impact of factors on the quantification of risk. The requirements to quantify social vulnerability, physical vulnerability, and coping capacities which are also requested in the 2025 RAMP will not align with the timing of the 2023 WMP filing. Quantification of risk for social vulnerability, physical vulnerability, coping capacities has not been piloted or studied in detail and it will take significant analysis to incorporate accurate and helpful data into models. Therefore, all new components for the model should not be a "minimum requirement," but rather be put into a long-term road map for evaluation by the utility to quantify the benefit of being added to the model.

In Section 6.2.1, Risk and Risk Component Identification, the Draft Guidelines show framework in Figure 6-2. SDG&E requests the opportunity to create its own version of Figure 6-2 using industry best practices. SDG&E's model framework is not set up in accordance with this figure and new components need to be validated. For example, "likelihood of ignition" and "PSPS" would feed into the "wildfire consequence." SDG&E's model framework is composed of likelihoods applied to consequences to calculate risk. In addition, SDG&E would like to request clarification of which model these risk components apply to, as "wildfire spread likelihood" does not contribute to the premise of SDG&E's WiNGS-Planning model. Other components, including but not limited to, "wildfire exposure potential" and "PSPS exposure potential" have not yet been quantified and no data exists for implementation into the model. It would need to be reviewed as a long-term study to verify the socioeconomic impact of a fire as a variable in the model.

Section 6.2.2, Risk and Risk Component Identification, of the Draft Guidelines states that the risk and risk components calculation process must align with applicable CPUC decisions regarding the inclusion of RAMP filings.⁸ Additionally, the latest S-MAP proposed decision has not yet been released to provide additional guidance. Timing of the WMP filing, the S-MAP proceeding, and RAMP proceedings will not align, posing the potential issue that unique requirements will arise in each proceeding. The final output of these proceedings should be consistent to facilitate informed decision making and stakeholder dialogue, but that will take time and coordination.

Further, these proceedings include proposed elements such as a new cost-benefit analysis to replace the RSE methodology, new risk mitigation inputs, and new quantification methodologies, and all of these changes will take time to implement. However, these changes will not be completed in time to support the 2023 WMP filings and will take time to implement. The new WMP guidelines diverge from the RAMP risk bowtie by requiring elements such as exposure potential to physical and ES&J impacts, vulnerability of communities to anticipate and recover from wildfires, and intensity of wildfire at specific locations. SDG&E asks that the requirement to align with applicable relevant CPUC decisions be removed to ensure that appropriate changes can be implemented with enough time in future iterations of the risk calculations.

⁸ Draft 2023-2025 Draft WMP Guidelines at p. 53.

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Section 6.3.1, Design Basis Scenarios, requires a run of different scenarios for wind loading, weather, and vegetation conditions. This will take a significant amount of data that will need to be incorporate for all scenarios. SDG&E proposes a validation of best practices between IOUs to select specific wind loading, weather, and vegetation conditions to focus efforts for model accuracy and create consistency in methods for mitigation selection.

Section 6.3.2, Extreme-Event Scenarios, requires electrical corporations to identify extreme scenarios that it considers in its risk analysis, including Black Swan events.⁹ SDG&E finds that including these events into risk analysis deters attention from the focus of wildfire risk. SDG&E requests more clarity and dialogue on why modeling these conditions should be required, and which modelling scenarios these conditions should apply to. For example, the request for multi-hazard scenarios does not align with purpose of the WiNGS Planning model, which is to mitigate wildfire related ignitions resulting from company electric assets. Non-electric asset related fires impacting our system during a PSPS is out of the utilities control and should not necessarily impact the electrical corporation's choice of wildfire mitigation or investment plan.

Section 6.4.1, Electrical Corporation-Identified Areas with Heightened Risk of Fire, requires the assessment of risk for the entire service territory, which is expanded from the current assessment of overhead lines in HFTD. SDG&E does not find the benefit of assessing areas of extremely low wildfire risk within the service territory. It will take significant coordination with other agencies for SDG&E to validate data and calculate the wildfire risk assessment that is beyond the wildfire spread likelihood. In addition, SDG&E does not maintain geospatial maps with contour levels and a colormap of accessibility. SDG&E recommends a contour level map with a distribution of risk decided by Large IOUs in joint workshops instead of the three levels provided in the guidelines. Additionally, SDG&E requests that Energy Safety provide data source for color map of accessibility requirements. SDG&E believes focusing efforts validating and improving data in areas of higher wildfire spread likelihood would be more beneficial for model development and risk reduction efforts in the current environment.

Conclusion

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SDG&E appreciates Energy Safety's consideration of these comments on the 2023-2025 WMP Draft Guidelines, Package 1, and requests that Energy Safety take these recommendations into account in the Final Guidelines.

Respectfully submitted,

<u>/s/ Laura M. Fulton</u> Attorney for San Diego Gas and Electric Company

Draft 2023-2025 WMP Guidelines at p. 61.