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~~VIA~~
BY ENERGY SAFETY E-~~MAIL~~FILING

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

RE: SDG&E Opening Comments to Energy Safety's Draft ~~2020~~ Annual Report on Compliance for SDG&E's 2020 Wildfire Mitigation Plan
Docket #2020-ARC

Dear Director Thomas Jacobs:

SDG&E hereby provides comments regarding the Draft 2020 Annual Report on Compliance (ARC) for San Diego Gas & Electric's (SDG&E) 2020 Wildfire Mitigation Plan (WMP), provided by the Office of Energy Infrastructure Safety (Energy Safety) on November 23, 2022.[1]

A. INTRODUCTION

First and foremost, SDG&E appreciates and agrees with Energy Safety's final conclusion that "SDG&E substantially complied with its 2020 WMP during the compliance period."[2] As noted, SDG&E completed the "vast majority"[3] of its key 2020 WMP initiatives and successfully met its wildfire risk mitigation goals for the January 1 – December 31, 2020 compliance year. Given SDG&E's success in "executing an actionable and adaptive plan for wildfire risk mitigation," SDG&E is concerned regarding some of the language and findings in the ARC. Namely, SDG&E is concerned by the following trends that fall outside of a traditional compliance review:

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[1] Pursuant to Public Utilities Code §8386.3(c)(4), Energy Safety "shall complete its compliance review within 18 months after the submission of the electrical corporation's compliance report." As Energy Safety continues to establish a cadence for the annual compliance reviews, SDG&E would welcome the opportunity to review the report or associated findings within the 18-month statutory period so that SDG&E may timely incorporate Energy Safety's findings into future wildfire mitigation planning.

[2] Office of Energy Infrastructure Safety Draft Annual Report on Compliance, San Diego Gas & Electric's 2020 Wildfire Mitigation Plan (Draft SDG&E ARC) (November 23, 2022) at 1.

[3] *Id.*

- Energy Safety overly emphasized outcome metrics in assessing whether SDG&E achieved its WMP initiative targets. Given that 2020 was an early year of WMP implementation, use of outcome metrics was misplaced to measure WMP compliance and risked overreliance on circumstances outside of SDG&E's control, including a prolonged wind event.
- Energy Safety assessed SDG&E's risk reduction and deployment of mitigation efforts using a retrospective standard and risk understanding that was not in place when SDG&E scoped its wildfire hardening work included in the 2020 WMP. SDG&E specifically disagrees with Energy Safety's characterization—based on updated risk analyses not used to inform the 2020 WMP initiatives—that "SDG&E conducted over 90% of its hardening work reviewed in the bottom quintile of risk."[4] While SDG&E understands the desire and usefulness of assessing and enhancing the effectiveness of *future* WMPs, it is unreasonable to impute knowledge obtained after the fact when making a determination of whether an electrical corporation performed the actions and completed the initiatives described in its WMP.[5]

B. ENERGY SAFETY SHOULD REFRAIN FROM OVERRELIANCE ON OUTCOME BASED METRICS TO ASSESS WMP COMPLIANCE

The compliance process adopted by WSD-012 outlined two objectives related to Energy Safety (then WSD's) assessment of WMP compliance:

- Assessing electrical corporations' implementation of initiatives identified in their approved WMPs, and
- Tracking outcomes of the reduction of wildfire risks and Public Safety Power Shutoff (PSPS) events in order to assess the effectiveness of the risk reduction strategies in electrical corporations approved WMPs to mitigate areas with the highest risk.[6]

The intent of the latter aspect of Energy Safety's compliance goals was established "with the intent to drive electrical corporations' *future* WMP's to prioritize efforts that most effectively mitigate wildfire risk."[7] SDG&E understands that the compliance process can be used to understand lessons learned in the field and promote the dynamic evolution of the WMPs as all stakeholders assess the effectiveness of wildfire mitigation efforts. But while it may be useful to go beyond a "'check-box' exercise" of assessing whether SDG&E met its WMP initiative targets and performed the

[4] Draft SDG&E ARC at 2.

[5] *See, e.g.* Wildfire Safety Division Wildfire Mitigation Plan Compliance Process (WSD-012) at 7. (use of outcome metrics "will inform [Energy Safety's] future evaluations – with the intent to drive electrical corporations future WMPs to prioritize efforts that most effectively mitigate wildfire risk.""").

[6] *Id.* at 3.

[7] *Id.* at 7 (emphasis added).

work outlined in SDG&E's WMP, Energy Safety's apparent emphasis on achieving outcomes as a compliance measurement is deeply concerning. This is particularly true given that it implies a standard of review from current perspective—now almost *three years* after SDG&E's 2020 WMP was submitted and well after most of its major wildfire mitigation initiatives were scoped—rather than from a perspective of SDG&E's compliance with approved initiatives developed using information it had at the time.

Rather, consistent with prior comments submitted by SDG&E and others,[8] Energy Safety should make clear that outcomes, including but not limited to wire down events, unplanned outages, vegetation caused outages, the scope and frequency of PSPS events, and number of ignitions will be used to inform and enhance the development of future WMP initiatives, not determine whether an electrical corporation has performed according to its past WMP. Overly its decade of wildfire mitigation efforts, SDG&E has repeatedly demonstrated its commitment to implementing measurable, effective, and dynamic wildfire mitigation initiatives aimed at reducing the risk of infrastructure-related ignitions and the impacts of PSPS events. SDG&E's Commission-approved comprehensive 2020 WMP was the product of significant planning, as well as thorough stakeholder feedback and collaboration. Whether SDG&E performed the actions outlined in its WMP forms the basis for the standard of compliance established in Public Utilities Code Section 8386.3(c).

The compliance framework outlined and utilized by Energy Safety in the Draft ARC leaves the electrical corporations' compliance in a state of uncertainty and dependent upon a number of factors far outside the utilities' control, including weather conditions and fuel moisture. Assuming the electrical corporation was adequately meeting its WMP targets, it would be just as inaccurate to deem an electrical corporation compliant with its WMP simply because of an abnormally rainy year as it would to find noncompliance because of significant and prolonged weather events resulting in increased wildfire and PSPS risk. Thus, even accounting for efforts to normalize data over time, an analysis of outcomes is not indicative as to whether the electrical corporation executive the tasks in, and complied with, its approved WMP.

SDG&E is concerned that by convoluting an assessment of whether it executed WMP initiatives in the locations in its reviewed, vetted, and approved WMP with the achievement of desired outcomes not quantitatively or qualitatively outlined in the WMP will result in an ambiguous and unpredictable process driven by exogenous factors. If outcomes untethered to the utilities conduct and implementation of stated objectives become a compliance metric, the lack of clarity regarding the weight of those outcomes could result in a retroactive finding of non-compliance even if the electrical corporation completed each of its WMP initiatives. While Energy Safety may assess outcomes in evaluating initiatives effectiveness and enhancing the direction of the WMP process, if an electrical corporation is prudently executing its approved WMP—and thus achieving the foreseen level of risk reduction from those approved initiatives—Energy Safety should find substantial compliance.

[8] *See e.g.*, Opening Comments on Draft Annual Compliance Report for Southern California Edison's 2020 Wildfire Mitigation Plan, Office of Energy Infrastructure Safety Docket No. 2020-ARC (November 28, 2022).

SDG&E shares Energy Safety's goals of progressively minimizing the risk of utility-related catastrophic wildfire. And it continues to use its own assessment of risk events, outcomes, and related lessons learned to implement additional opportunities for "future focus to reduce wildfire risk."[9] While the Commission has expressed "no concerns with Energy Safety's use of outcome-based metrics to inform and focus compliance tracking,"[10] those metrics should *inform* compliance tracking, not serve as a compliance determinant. It is particularly important to avoid establishing a precedent, or the appearance of a precedent that undesirable outcomes will automatically result in a finding of noncompliance, even when a utility has successfully and prudently executed to complete its stated WMP objectives.[11] The "effectiveness of wildfire mitigations"[12] should be informed by past experience as the electrical corporations continue to enhance risk modeling and understand the complex landscape of fire science. But compliance with an approved WMP should not be informed by a retrospective analysis of its effectiveness. To do so poses potential risks to the WMP process and could compromise the stability afforded to electrical corporations by Assembly Bill 1054 and the safety certification.

~~B.~~C. ENERGY SAFETY SHOULD NOT CONTINUE TO MONITOR SDG&E'S 2020 WMP IMPLEMENTATION

In its draft ARC, Energy Safety states, in regard to SDG&E's system hardening, that "additional analysis is required to determine whether SDG&E is effectively prioritizing the deployment of its mitigation efforts in areas of highest risk. Energy Safety plans to monitor this issue and continue assessing SDG&E's progress in this regard through the 2020-2022 plan cycle compliance reviews."[13] Because SDG&E's approved WMP included a description of where it intended to perform system hardening work in 2020, Energy Safety should not have performed a post-hoc assessment of the location of its hardening efforts. To second-guess those initiatives almost three years after work was performed is not relevant to a compliance assessment, nor does it provide necessary confidence to the electrical corporations with respect to its hardening investments.

Energy Safety does not need to review past progress of SDG&E in order to appropriately assess SDG&E's compliance efforts in 2020. The 2020 compliance process is statutorily

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[9] Draft SDG&E ARC at 68.

[10] Draft Resolution SPD-7 (Nov. 10, 2022) at 5.

[11] To this end, SDG&E is concerned regarding some of the language in the Draft PG&E Annual Report on Compliance for its 2020 WMP, especially the finding that, regardless of the "positive trajectory" associated with PG&E's number of ignitions, acres burned, and structures damaged, a catastrophic and tragic wildfire related to PG&E's infrastructure was an "unacceptable" outcome. (PG&E Draft ARC at 93). While Energy Safety identified additional shortcomings in PG&E's performance—which SDG&E refrains from commenting on at this time—SDG&E disagrees with the concept that any outcome, standing alone, should merit a finding of noncompliance with a WMP.

[12] Draft SDG&E ARC at 67.

[13] ~~Energy Safety~~ Draft SDG&E ARC ~~for SD&GE's 2020 WMP~~ at 67.

complete.[14] As stated within the ARC, "Energy Safety finds that SDG&E substantially complied with its 2020 WMP during the compliance period, January 1 to December 31, 2020."[15] SDG&E does not find itIt is neither helpful nor necessary thatfor Energy Safety spend any additional time in monitoring or assessing SDG&E's compliance with effective prioritization of mitigation efforts in areas of highest risk. Energy Safety has already agreed that SDG&E substantially complied, as stated above and additionally stated in Joint IOU comments to SPD 7.[16] SDG&E didperformed its mitigation work in areas thatvetted by stakeholders and approved by Energy Safety agreed upon, and compliancethe Commission. Compliance with that standard should not be determined by metrics that were driven by a standardstandards and risk assessments that did not exist at the time of implementation. SDG&E instead supports efforts by Energy Safety to enhance risk modeling to inform future WMP efforts.

C.D. ENERGY SAFETY'S RISK ASSESSMENT OF SDG&E'S INFRASTRUCTURE IS NOT CONSISTENT WITH SDG&E'S 2020 WMP

Energy Safety concludes that "when analyzing SDG&E's hardening work relative to the circuit risk scores provided by SDG&E, Energy Safety finds SDG&E conducted over 90% of its hardening work reviewed in the bottom quintile of risk."[17] SDG&E disagrees with the Energy Safety's approach taken to review the areas where SDG&E's completed work falls in relation to risk. Energy Safety is utilizingutilized circuit risk scores created by theSDG&E's Wildfire Risk Reduction Model (WRRM) tool as of 2020. However, hardening work completed in 2020 was scoped 18-24 months prior to construction (before the development of WRRM) to allow for engineering, design, and construction. It wouldis not be appropriate to compare risk scores that are generated in 2020 to work that was scoped for completion two years earlier. Moreover, it is unreasonable to apply such a post-hoc understanding of risk to a scope and locations of work that were vetted and approved as a component of SDG&E's 2020 WMP.

As discussed in SDG&E's 2020 WMP, SDG&E's hardening programs were scoped to, "target specific *assets* with the highest probability of failure in the areas with the greatest impact prioritized through the WRRM model."[18] TheRather than targeting an entire circuit, SDG&E's 2020 hardening was targeting efforts targeted the highest risk assets which included only small pockets of the overall circuit. ReviewingThus, reviewing this work which was targeting specific assetsbased on a circuit and comparing to a circuit-wide risk score would not be appropriate. Additionally, as noted by Energy Safety in the ARC, SDG&E had been hardening its distribution infrastructure since approximately 2013 and had already completed approximately 600 miles of hardening. Without reviewing all the work completed by SDG&E over the timeframe the risk-prioritization of this one year can be taken out of context.

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[14] *See*, Pub. Util. Code §3836.3(c)(4).

[15] Energy Safety Draft SDG&E ARC for SD&GE's 2020 WMP at p. 1.

[16] Joint Comments of SCE, SDG&E, and PG&E on Draft Resolution SPD-7 at p. 5.

[17] Draft SDG&E ARC at 67.

[18] Draft SDG&E 2020 Wildfire Mitigation Plan p.65ARC at 67 (emphasis added).

SDG&E also disagrees with the use of the circuit risk scores to review its vegetation management work. SDG&E's vegetation management initiatives do not use the WRRM tool to prioritize the work and using these scores to review where SDG&E's, thus assessing vegetation management work was completed performance or compliance based on WRRM scores is not appropriate. SDG&E's vegetation management program inspects every tree at least once in the service territory, and performs trimming or removal as needed based on those inspections. SDG&E's 2020 WMP describes these programs and does not mention utilizing these risk scores to scope where the work will occur. Therefore, these scores should not be utilized to assess compliance with the 2020 WMP.

The method of creating risk bins found in "Table 9: Total Length (in miles) of All Risk Segments in Each Risk Segment Quintile" does not accurately represent the wildfire risk on the distribution system. TheEnergy Safety's proposed analysis completed by OEIS would infer that 20% of the top risk falls within 61 miles of theSDG&E's entire territory. That mileage accounts for less than 1% of the total OHoverhead mileage in the entire territory. This method to bin by risk score misrepresents the wildfire risk and limits the ability to address risk. With

Subsequent to 2020, aided by the enhancement of risk modeling, SDG&E created the WiNGS-Planning model to prioritize hardening efforts by wildfire risk. The implementation of WiNGS-Planning only began to influence the scope of SDG&E's grid hardening work in 2022. SDG&E took a segment approach to executing mitigations and scoping the whole circuit segment, this technique not only addresses wildfire risk but reduces the impact of PSPS. To accurately identify areas for mitigation SDG&E creates bins by riskiest overhead circuit segment in HFTD and ranks these segments by top risk. This method shows the distribution of risk across the HFTD and allows for the deployment of mitigation in our high-risk areas. The influence of WiNGS-Planning on hardening efforts is evident in the figure below.

Riskiest Overhead Circuit Segments in HFTDs (Ranked by Decreasing Per-Segment Risk)	**Total Distribution Circuit Miles Scoped for Hardening 2022 - 2024**	**Total Distribution Circuit Miles Scoped for Hardening 2025-2027**
Top 10%	437.9	377.9
Top 20%	161.9	148.2
Top 30%	27.9	77.4
Top 40%	1.7	0.0
Top 50%	0.3	11.6
Top 60%	2.8	0.0
Top 70%	9.1	0.0
Top 80%	0.0	0.0
Top 90%	0.0	0.0

Top 100%	0.0	0.0
Total	641.6	615.1

D.E. DATA NORMALIZATION OF DATAEFFORTS SHOULD REFLECT ADDITIONAL CONTEXT AND ACCOUNT FOR SMALL SAMPLE SIZES

SDG&E appreciates Energy Safety's analysis of risk and ignition trends provided in the ARC and generally agrees that normalization of the data iscan be important. When looking at this data, even when normalized, it is also important to also consider the raw data. TheFor instance, the ARC noted an increase in normalized wire down events and ignitions on its transmission infrastructure. It should be noted that the raw data for these events areis very small, and any fluctuation can appear to be a large increase. For example, in 2020 SDG&E had *one* transmission wire down event, which equated to a 50% increase over the five-year average. SDG&E has only had three transmission wire down events since 2015 and thus any event can appear to have an outsized impact when normalized and compared to the average.

While normalization by red flag warning circuit mile days (RFWCMD) is a useful tool, it is also important to understand that it does not capture all drivers that could impact outcomes. The ARC notes that there is an increase in Tier 3 equipment/facility failures and ignitions in 2020 when normalized to RFWCMD. Red Flag Warnings are issued when there is a combination of warm temperatures, low humidity, and strong winds. This does not accurately capture drivers that are not wind related. For example, in 2020 SDG&E experienced significant heatwaves in August and September. The prolonged heat events drove higher loads across the system and contributed to equipment failures, especially transformers, which can contribute to increased ignitions. It is important to understand these types of events and their impact on outcomes when considering trends in the data.

Conclusion

F. CONCLUSION

SDG&E appreciates Energy Safety's consideration of these comments on the Draft 2020 ARC for SDG&E, and requests that Energy Safety take these recommendations into account in the Final ARC.

Respectfully submitted,

/s/ Laura M. Fulton
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