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February 1, 2023

VIA E-MAIL

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

RE: SDG&E 2022 Q4 Quarterly Notification Letter

Docket #2022-SC

Dear Director Thomas Jacobs:

Pursuant to Public Utilities Code Section 8389(e)(7) and the February 16, 2021 Wildfire Safety Division (WSD) Compliance Operational Protocols,¹ San Diego Gas & Electric Company (SDG&E or the Company) hereby submits to the Office of Energy Infrastructure Safety (Energy Safety) this notification detailing the implementation of (1) SDG&E's approved Wildfire Mitigation Plan, (2) implementation of the recommendations of the Company's most recent safety culture assessment, (3) a statement of the recommendations of the Board of Directors Safety Committee (Safety Committee) meetings that occurred during the quarter, and (4) a summary of the implementation of prior Safety Committee recommendations.²

I. BACKGROUND

Governor Newsom signed Assembly Bill (AB) 1054 into law on July 12, 2019. AB 1054 contains numerous statutory provisions and amendments designed to enhance the mitigation and prevention of utility-related catastrophic wildfires in California, including the creation of the safety certification process. Among other things, AB 1054 added Section 8389 to the Public Utilities Code. Section 8389(e) established the requirements the electrical corporations to receive an annual safety certification,³ including the establishment of a safety committee of the electrical corporation's board of directors composed of members with relevant safety experience, board-of-director-level reporting to the Commission on safety issues, and the submission of quarterly reports

¹ The WSD's Compliance Operational Protocols provides guidance on the contents, format, and timing of the compliance reporting the WSD requires of the electrical corporations.

² SDG&E Notification Letter Filed on November 1, 2022.

³ SDG&E received its 2020 safety certification from the WSD via a letter dated September 14, 2020.

notifying Energy Safety and the Commission of the implementation of its Wildfire Mitigation Plan and other matters.

Specifically, Public Utilities Code Section 8389(e)(7) requires electrical corporations to file a notice of implementation of its approved Wildfire Mitigation Plan with Energy Safety “on a quarterly basis that details the implementation of both its approved wildfire mitigation plan and recommendations of the most recent safety culture assessment, and a statement of recommendations of the board of directors safety committee meetings that occurred during the quarter.” Section 8389(e)(7) also requires that the notification “summarize the implementation of safety committee recommendations from the electrical corporation’s previous notification and submission.” SDG&E’s Quarterly Notification for the fourth quarter of 2022 is contained herein. SDG&E is simultaneously submitting this notice to the California Public Utilities Commission as an information only submittal.⁴

II. DISCUSSION

Implementation of SDG&E’s Approved Wildfire Mitigation Plan

SDG&E tracks 41 quantitative metrics and 29 qualitative metrics on 69 different mitigations proposed in its 2022 Wildfire Mitigation Plan Update. These mitigations are categorized across the ten categories within the WMP including Situational Awareness and Forecasting, Grid Design and System Hardening, Asset Management and Inspections, and Vegetation Management and Inspections. These initiatives are implemented to mitigate the risk of ignitions due to a fault on the electric system and reduce the impacts of PSPS to customers. SDG&E’s main system hardening initiatives of covered conductor installation and undergrounding of electric distribution infrastructure provide risk reduction by reducing the likelihood of an ignition. SDG&E has mitigation programs to enhance SDG&E’s risk models and help prioritize infrastructure replacement and provide strategies and tools for real time decision making during emergency response or PSPS events. SDG&E also has mitigations intended to reduce the impact of a wildfire once an ignition has occurred, including high-definition cameras, ground and aerial fire suppression resources, and a fuels management program. SDG&E has implemented measures to mitigate the customer impacts associated with PSPS events, including the installation of remote switches to limit the number of customers exposed to PSPS, the establishment of customer resource centers during PSPS events, and SDG&E’s customer outreach programs.

In Attachment A hereto, SDG&E provides a breakdown of the progress on quantitative targets for these mitigations. In summary, SDG&E has fire hardened 180 miles of its electric system, including 65 miles of undergrounding and 63 miles of covered conductor. SDG&E has completed all of its planned detailed electric and vegetation inspections for 2022. More information on these metrics can be found in SDG&E’s Quarterly Data Report, also filed February 1, 2023.

⁴ Public Utilities Code Section 8389(e)(7).

Implementation of SDG&E's Most Recent Safety Culture Assessment

Energy Safety issued SDG&E's 2021 Safety Culture Assessment on September 2, 2021.⁵ The safety culture assessment was conducted by a third-party contractor, DEKRA, on behalf of Energy Safety. DEKRA assessed the safety culture of SDG&E through workplace surveys and interviews, and generally found that SDG&E "has a robust process for measuring and improving the safety culture, with ambitious near and long-term safety objectives supported by field-based projects and initiatives for frontline supervisors, employees, and contractors."⁶ DEKRA made three recommendations for SDG&E to act upon:

1. Integrate safe behaviors associated with mitigating hazards from wildfires and hostile interactions with discontented members of the public into the Behavior-Based Safety (BBS) observation program.
2. Clarify, coach, and track the behaviors field leadership needs to adopt to advance the safety culture.
3. Recognize and take action to mitigate the serious exposure posed by interactions with certain discontented members of the public.

On September 3, 2021, SDG&E agreed to implement all of the findings and recommendations from its 2021 safety culture assessment report. As stated in SDG&E's Request for a 2022 Safety Certification⁷, SDG&E "is continually working to promote innovation and enhancement in its safety culture."⁸ To highlight its efforts to implement the recommendations of its most recent safety culture assessment, SDG&E continues perform activities to implement the safety culture assessment report through various methods, including but not limited to the following:

- Operational managers and supervisors communicating and educating workers on the safe behaviors associated with mitigating hazards from wildfires and hostile interactions with discontented members of the public.
- Updating SDG&E's safety observation checklists to identify safe and at-risk behaviors associated with mitigating hazards from wildfires.
- Safety advisors hosting meetings with groups who are likely to have interaction with members of the public and providing public safety training refreshers.
- Expansion of SDG&E's near miss reporting application to capture wildfire-related risks and risks posed by discontented members of the public.
- Hosting company-wide psychological safety town hall events and manager training workshops to educate and promote a culture of safety and trust.

⁵ SDG&E has not yet received its 2022 Safety Culture Assessment Report, of which SDG&E's Management Self-Assessment Report was submitted on August 2022.

⁶ *Safety Culture Assessment for San Diego Gas & Electric Company*, prepared by DEKRA (September 2021).

⁷ *San Diego Gas & Electric Company's Request for a 2022 Safety Certification Pursuant to Public Utilities Code Section 8389*, submitted September 9, 2022.

⁸ *Id.* at 10.

- Chief Safety Officer performing on-site safety visits (rotating district locations) with direct employee engagement, and monitoring interactions and feedback.
- District leadership (Directors) performing on-site safety visits (rotating district locations) with direct employee engagement; tracking interactions and feedback.
- District leaders holding safety all-hands meetings to clarify and set safety expectations to advance the safety culture.
- Executive Safety Council (ESC) soliciting feedback from front-line operational employees and supervision on safety culture.
- Modifying BBS observation checklist descriptions to include instructions for observers to consider whether employees are identifying potential hazards on customer premises.
- Establishing an Electric Distribution Operations BBS process to help improve awareness of switching error hazards, increase psychological safety in raising and learning from errors, with an ultimate goal of improving safe and accurate switching for the safety of field personnel and the public.

SDG&E has not yet received its 2022 Safety Culture Assessment Report, which remains pending with Energy Safety. SDG&E therefore reports the following activities performed since its November 1, 2022 Quarterly Notification Letter to support the above-listed initiatives for implementing the 2021 Safety Culture Assessment Report recommendations:

- SDG&E held monthly Electric Safety Subcommittee and Gas Safety Subcommittee meetings where Near Misses, Safety Incidents, and the status of open action items were reviewed. These meetings also provide a roundtable for employees of all levels, including Union representatives, to raise safety concerns or suggestions. Additionally, bi-weekly Office Safety Committee Directors meetings were held to review safety leading and lagging indicators, identify targeted areas of focus, and share any best practices or lessons learned.
- SDG&E held monthly Safety Incident Review Meetings with operational Directors, Managers, Supervisors, safety teams, SDG&E's Director – Safety and Chief Safety Officer to review safety incidents and Near Misses that had the potential to have caused serious injury or fatality (SIF-potential) to identify corrective actions, safety improvements, and lessons learned. Following these meetings, lessons learned are shared with teams for broader awareness and continuous safety improvement.
- On November 10, 2022, SDG&E held its Quarterly Asset Management Stakeholder Meeting. The objective of these meetings is to enhance communication and collaboration on broad asset management initiatives and issues that may impact the operating divisions.
- On November 29, 2022, SDG&E held an Executive Safety Council meeting where cross-functional VPs solicit safety related feedback directly from front-line employees and supervisors.
- In Q4 2022, SDG&E surveyed approximately 900 front-line and operational employees to solicit feedback on its Safety Management System process implementation efforts to identify opportunities for continued improvement.

- In Q4, 2022, SDG&E continued to refine its Critical Behavior Inventory and finalize its observation worksheets for the newly formed Electric Distribution Operations (EDO) Behavior Based Safety (BBS) process.
- On January 4, SDG&E senior executives sent an employee-wide e-mail addressing the recent natural gas prices with talking points for interactions with customers; follow-up communications were issued providing employees with safety reminders and tips for potential interactions with irate customers.
- On January 17, 2023, SDG&E issued an employee-wide e-mail communication highlighting the importance of Near Miss Reporting and encouraging employees to speak-up and report any safety concerns, risks and hazards.

Meetings of SDG&E's Board Safety Committee Meeting

The SDG&E Board Safety Committee⁹ advises and assists the Board of Directors in the oversight of safely providing electric and natural gas services to the Company's customers. The Safety Committee met on November 8, 2022 and received presentations on various topics related to safety matters at the Company. Kevin Geraghty, SDG&E Chief Operating Officer and Chief Safety Officer provided an update on year-to-date safety metrics, noting that SDG&E had experienced best-ever performance on several safety metrics. Mr. Geraghty noted a concerning trend of repetitive motion injuries in 2022 and reflected a renewed commitment to studying and preventing similar injuries going forward. Mr. Geraghty informed the Committee that the Company safety message through the end of the year would be to "finish strong and start [2023] strong." Safety Committee members noted that it was important to celebrate and highlight successful change in safety trends to promote safety messages across the Company.

Mr. Geraghty and Michael Schneider, Vice President for Risk Management and Chief Compliance Officer, presented on updates to SDG&E's Safety Management System (SMS) and the use of data in developing safety performance metrics. Mr. Geraghty provided an overview of the SMS system, its approach to incorporating risk-based decision making, and the adoption of SDG&E's first ever annual Safety Management Action Plan in 2022. Mr. Schneider discussed SDG&E's increased focus on safety and risk metrics from both a performance and CPUC reporting standpoint, including the use of safety performance metrics in evaluating risk-spend efficiencies. Mr. Schneider discussed enhancements to SDG&E's internal safety performance dashboards and collaboration with other California investor-owned utilities.

Elizabeth Peters, Safety Management System Manager at SDG&E, provided an update on SDG&E's implementation of the recommendations of the 2021 Wildfire Safety Culture Assessment performed by Energy Safety. Ms. Peters reviewed the Safety Culture Assessment process and the 2021 recommendations provided by DEKRA and updated the Committee on actions by SDG&E to implement the three recommendations of the DEKRA report.

Kendall Helm, SDG&E Vice President for People and Culture, provided an update on the safety metrics of SDG&E's incentive compensation structure, including 2022 performance and metrics under consideration for 2023.

⁹ SDG&E's Board Safety Committee membership has changed since its prior Quarterly Notification Letter. The Safety Committee members now include Robert J. Borthwick, Chairman; Karen Sedgwick; and Caroline A. Winn.

Implementation of Recommendations of the Board of Directors Safety Committee in the Prior Quarter

As reported in prior SDG&E's August 1, 2022 Quarterly Notification to Energy Safety, SDG&E's Board Safety Committee previously recommended that SDG&E provide updates on the following topics:

- Provide a report in SDG&E's implementation of the 2021 Wildfire Safety Culture Assessment, including SDG&E's efforts to mitigate the risks posed by interactions with discontented members of the public.

Ms. Peters' presentation addressed the aforementioned issues.

Update on SDG&E'S Wildfire Safety Community Advisory Council Meetings

Per the requirement established in D.20-05-051 that SDG&E report on advisory council activities on a quarterly basis, SDG&E's Wildfire Safety Community Advisory Council met on November 11, 2022. The Wildfire Safety Community Advisory Council (WSCAC) is comprised of several important stakeholders in the SDG&E community and includes representatives from local and tribal governments, public safety partners, and Access and Functional Needs communities.

The November 11 meeting commenced with an introduction from the new Council Chair, SDG&E Chief Operating Officer and Chief Safety Officer Kevin Geraghty. Mr. Geraghty noted the Veterans' Day holiday and thanked veterans for their service to the country. Mr. Geraghty also noted the recent success regarding the passage of legislation addressing the use of nonconductive foil balloon materials.

Brian DAgostino, SDG&E Vice President for Wildfire and Climate Science discussed the 2022 fire season, noting the significant decrease in statewide acres burned in 2022, thanks in part to an active monsoon season. Mr. DAgostino also discussed the Border 32 fire in San Diego, the largest fire since the Valley Fire at 4100 acres, and the impacts of the summer extreme heat events and Tropical Storm Kay in September.

Alex Moffat, then Business Services Manager for SDG&E,¹⁰ discussed enhancements and changes to SDG&E's PSPS notifications for the fall of 2022. She indicated that 90% of customers prefer to receive notifications on a 24/7 basis, rather than only during waking hours. In response to that feedback, SDG&E changed to a night-and-day customer notification system which customers may opt out of. Ms. Moffat also discussed enhancements to notifications for medical baseline and Access and Functional Needs customers.

Jonathan Woldemariam, SDG&E Director for Wildfire Mitigation, presented on SDG&E's drone inspection programs. Mr. Woldemariam discussed the program's evolution since 2019 and how SDG&E has incorporated AI capabilities to find additional efficiencies and identify more potential risks. Over time, SDG&E has leveraged those capabilities to reduce the cost per inspection by a third.

Mr. Geraghty closed the meeting with a roundtable for feedback and comments.

¹⁰ Ms. Moffat is now Director of Clean Transportation at SDG&E.

III. NOTICE

This filing will be submitted to the Office of Energy Infrastructure Safety, the Executive Director of the California Public Utilities Commission, and posted to SDG&E's website (<https://www.sdge.com/2022-wildfire-mitigation-plan>).

Respectfully submitted,

/s/ Laura M. Fulton

Attorney for
San Diego Gas and Electric Company