BEFORE THE OFFICE OF ENERGY INFRASTRUCTURE SAFETY

OF THE STATE OF CALIFORNIA

OPENING COMMENTS OF THE UTILITY REFORM NETWORK ON THE DRAFT DECISION ON SAN DIEGO GAS AND ELECTRIC COMPANY'S 2023-2025 WILDFIRE MITIGATION PLAN

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The Utility Reform Network ("TURN") submits these comments on Energy Safety's August 30, 2023 Draft Decision on the 2023-2025 Wildfire Mitigation Plan (WMP) submitted by San Diego Gas and Electric Company ("SDG&E").

I. INTRODUCTION AND SUMMARY

Energy Safety's Draft Decision would approve SDG&E's 2023-2025 WMP, but not without pointing out significant problems with SDG&E's approach to wildfire mitigation. Among those problems are SDG&E's practice of "default[ing] to undergrounding" and failing to "provide adequate justification for its undergrounding projects."[1] Poorly justified future undergrounding plans was also a problem in SDG&E's 2022 WMP, which Energy Safety called out in Areas for Continuing Improvement (ACI) 22-14 and 22-15 in its 2022 decision.[2] The Draft Decision appropriately finds that SDG&E "has not sufficiently addressed the required progress" for these 2022 ACIs.[3]

Despite Energy Safety's finding that SDG&E's decision-making process excessively favors undergrounding at the expense of the faster-to-deploy and less costly overhead hardening alternative, the Draft Decision would not require SDG&E to make any changes to its grid hardening plans until its 2025 Update. This is a plainly insufficient remedy for a serious deficiency in SDG&E's WMP, one that perpetuates shortcomings that Energy Safety identified in 2022 and directed SDG&E to correct in this WMP. Until SDG&E fixes its approach to grid

[1] Draft Decision, Section 7.3.3.1, p. 30.
[2] OEIS's Evaluation of 2022 WMP Update for SDG&E, July 2022, pp. 49-50 and pp. 114-115.
[3] Draft Decision, App. B, p. A-12.

hardening, it will rely too much on undergrounding -- with its long implementation schedule and uncertainty about where it will prove feasible -- instead of the proven and more quickly implemented covered conductor mitigation. Both safety and cost-effectiveness will suffer.

Instead of deferring any further scrutiny of SDG&E's grid hardening plans to the 2025 Update, Energy Safety should require SDG&E to make the necessary corrections to its grid hardening selection approach in this WMP (which covers at least 2023 and 2024) and revise its undergrounding and covered conductor targets before approving this WMP. Alternatively, and at the very least, Energy Safety should include in its final decision a clear statement that its approval of this WMP does not constitute specific approval of SDG&E's undergrounding target miles and that it expects SDG&E to make the corrections to its decision-making process and the scope of its various grid hardening activities immediately.

In addition, as discussed in Section IV below, Energy Safety should modify Appendix D to more accurately reflect the contributions of intervenors to this proceeding.

II. THE DRAFT DECISION APPROPRIATELY CRITICIZES SDG&E'S APPROACH FOR SELECTING AMONG GRID HARDENING ALTERNATIVES

The Draft Decision correctly finds that there are several serious problems with SDG&E's grid hardening decision-making approach. Perhaps the most serious problems are described in Section 7.3.3.1:

> SDG&E is often prioritizing undergrounding compared to other mitigations through its mitigation decision-making process and does not provide adequate justification for its undergrounding projects. For instance, SDG&E's WiNGS-Planning Model, which SDG&E uses to prioritize mitigation initiatives, *does not currently incorporate the time value of risk (i.e., risk caused by long deployment timeframes) into its valuation of mitigation initiatives*. Excluding this factor may bias mitigation investments toward undergrounding, which provides the most risk reduction but *requires a substantially longer deployment timeframe than other mitigation initiatives, including covered conductor plus early fault detection, sensitive relay profile settings, and sensitive ground fault relay settings*, ***potentially leaving customers exposed to unmitigated risks for extended periods***.

> SDG&E also does not demonstrate its analysis of risk drivers for a specific location, and instead appears to *default to undergrounding* during its selection process. For instance, a particular location may not have much risk from vegetation contacts given low tree density, or have a primary risk driven by third-party contacts such as balloons and vehicles. *This may not properly account for instances where other mitigations could adequately cover the risk at a similar effectiveness as undergrounding with a higher efficiency of resource usage*.[4]

To summarize the major shortcomings described in these findings:

- SDG&E does not take into account the time value of risk associated with the longer time required to deploy undergrounding compared to covered conductor; and
- SDG&E defaults to undergrounding, rather than examining whether which risk drivers are present in a given location and which mitigation can most efficiently address those drivers.

These findings are well supported by the evidence, including the evidence presented in TURN's comments on SDG&E's WMP, which highlighted the cost, timing and scheduling advantages of covered conductor over undergrounding, and the fact that SDG&E's undergrounding decision-tree does not ask which alternative would be most cost-effective in a given location.[5]

As the Draft Decision states, these deficiencies have significant adverse consequences. First and most important, they threaten to "leav[e] customers exposed to unmitigated risks for extended periods." This concern goes to the heart of what WMPs are supposed to address – that the utility is taking appropriate measures to mitigate risks in the time period under review. Energy Safety correctly finds that SDG&E's approach unduly jeopardizes safety by failing to ensure that appropriate mitigations are targeted to the highest risk locations as quickly as possible. Second, SDG&E's approach makes it likely that SDG&E is using the expensive and slow-to-deploy undergrounding mitigation when much less costly overhead hardening is

[4] Draft Decision, p. 30, emphasis added.

[5] TURN May 26, 2023 Comments on SDG&E's 2023-2025 WMP, pp. 12-16. TURN showed that SDG&E failed to disclose in its WMP the decision tree that TURN obtained in discovery, even though such information was required by ACI 22-14 and 22-15.

adequate. The result is that ratepayers are subject to paying for an inefficient mitigation, which drives up the cost of electricity needlessly.

The Draft Decision finds other deficiencies that obscure and distort SDG&E's grid hardening decision-making process, including:

- Insufficient transparency regarding how SDG&E addresses PSPS risk in its risk analysis, including any trade-offs between wildfire risk and PSPS risk.[6]
- A failure to explain why SDG&E "descoped" the Falling Conductor Protection (FCP) mitigation – which, like REFCL, can provide high mitigation effectiveness when combined with covered conductor – in favor of undergrounding.[7]

These additional shortcomings are also well supported by the evidence.[8] When corrected, each of them is also likely to decrease the scope of undergrounding and increase the use of covered conductor compared to the targets in SDG&E's 2023-2025 WMP.

III. THE IDENTIFIED FAILINGS IN SDG&E'S GRID HARDENING SELECTION PROCESS NEED TO BE CORRECTED IMMEDIATELY

The Draft Decision correctly identifies serious problems with SDG&E's grid hardening selection approach and the harm that can be expected to result – both to system safety and cost-effectiveness. Nevertheless, the Draft Decision fails to require the appropriate urgency in SDG&E's response. Even though ACI 23-06 and 23-11 contemplate that correcting those shortcomings could affect the scope of the selected hardening alternatives, SDG&E is not required to show how, if at all, its grid hardening activities have changed until its 2025 Update.

[6] Draft Decision, Section. 6.5.3, pp. 24-25 and ACI 23-03, p. 79.

[7] Draft Decision, Section 8.1.2.3, p. 39 and ACI 23-11, p. 83.

[8] TURN's comments showed that SDG&E exaggerates the PSPS-related risk reduction benefits from undergrounding, while understating the PSPS benefits of covered conductor. TURN May 26, 2023 Comments on SDG&E's 2023-2025 WMP, pp. 11-12.

As the Draft Decision recognizes and as discussed in the previous sections, both the safety and cost-effectiveness of SDG&E's mitigation plan is imperiled until these failings are corrected. To ensure that SDG&E adopts the best grid hardening strategy without delay, Energy Safety should require SDG&E to remedy the problems discussed in Section II, and most importantly ACI 23-06, before its WMP can be approved. A WMP with such fundamental deficiencies that undermine wildfire safety, and which Energy Safety also pointed out in its 2022 WMP decision, simply does not warrant approval. Deferring approval until the deficiencies in SDG&E's grid hardening selection approach will ensure that they are corrected and that SDG&E pivots as quickly as possible to a more appropriate and more limited use of undergrounding.

Alternatively, and at the very least, Energy Safety should include in its final decision a clear statement that its approval of this WMP does not constitute specific approval of SDG&E's undergrounding target miles and that it expects SDG&E to immediately make the corrections to its decision-making process and the scope of its various grid hardening activities. Energy Safety should specify a due date for SDG&E to implement the changed scope of its grid hardening programs -- within three months after Energy Safety's final decision. Clarity that Energy Safety's approval of this WMP does not constitute an endorsement of SDG&E's undergrounding targets or a mandate to perform that work will forestall specious arguments that SDG&E is already making to the CPUC that the expected approval of this WMP amounts to an obligation for SDG&E to carry out the undergrounding work described in its WMP.[9]

[9] In a reply brief recently filed with the CPUC in its pending general rate case (GRC), A.22-05-015, on September 7, 2023, SDG&E anticipates the approval of this WMP and argues that the CPUC should approve SDG&E's grid hardening proposals because "SDG&E must comply with its approved Wildfire Mitigation Plan." SDG&E Reply Brief in the Test Year 2024 General Rate Case, A.22-05-015, Sept. 7. 2023, pp. 304-305 SDG&E's discussion does not even mention any of Energy Safety's significant criticisms of SDG&E's biased process for selecting among grid hardening alternatives, which underscores the need for clarifying language in Energy Safety's final decision.

IV. ENERGY SAFETY SHOULD CORRECT AND CLARIFY ITS DISCUSSION OF INTERVENOR CONTRIBUTIONS IN APPENDIX D

Appendix D to the Draft Decision, which references stakeholder comments on the large IOU WMPs, requires correction and clarification.

First, the list of stakeholders submitting comments on the utility WMPs inadvertently omits TURN, which submitted timely comments on each of the large IOU WMPs. TURN should be added to this list.[10]

Second, in identifying topics that intervenors addressed that Energy Safety found particularly useful, Appendix D contains the prefatory statement: "Energy Safety found the following stakeholder comments to concur with topics already included in Energy Safety's findings." As phrased, the implication is that Energy Safety did not need any of the input from intervenors on these issues and would have arrived at its conclusions regardless of these intervenor comments. TURN doubts this was Energy Safety's intent. Instead, TURN suspects page 2 of the Draft Decision better reflects the agency's view in stating that Appendix D provides a list of stakeholders that submitted comments, "including comments that Energy Safety concurred with and incorporated into its evaluation."[11]

To more accurately reflect and encourage the important contributions of intervenors to these WMP proceedings, TURN agrees with Mussey Grade Road Alliance (MGRA) that the statement in Appendix D should be changed to: "<u>Energy Safety found that the following stakeholder comments informed and contributed to its findings</u> . . .."[12]

[10] Energy Safety Draft Decision, App. D, p. A-16. The subsequent list on page A-17 that identifies areas of contributions by intervenors correctly lists TURN.

[11] Draft Decision, p. 2.

[12] MGRA Comments on SDG&E and SCE Draft Decisions, Sept. 19, 2023, p. 7.

V. CONCLUSION

For the reasons set forth above, TURN urges Energy Safety to adopt the recommendations in these Comments.

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Respectfully submitted,

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