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VIA ELECTRONIC FILING **Docket # 2023-2025-WMPs**

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

RE: SDG&E Comments to Energy Safety Draft Decision Approving SDG&E's 2023-2025 WMP (Draft Approval)

Dear Director Thomas Jacobs:

San Diego Gas & Electric ("SDG&E") hereby provides opening comments to the Office of Energy Infrastructure Safety's ("Energy Safety") August 30, 2023 Draft Decision approving SDG&E's 2023-2025 Wildfire Mitigation Plan ("WMP" or "Plan"). SDG&E appreciates Energy Safety's thoughtful and thorough review of SDG&E's 2023-2035 WMP and requests that Energy Safety incorporate the requested revisions and modifications listed below.

I. WILDFIRE MITIGATION EXPENDITURES

SDG&E requests a revision to Figure 4.1-1 SDG&E Grid Design, Operations, and Maintenance Projected Expenditures (HFTD) to reflect projected spend for covered conductor installation. The Draft Decision currently shows zero (0) in the Draft Decision, which is in error. The correct information should be $76.8M, $59.2M and $48.2M in 2023, 2024, and 2025, respectively.

II. COMMENTS ON ENERGY SAFETY'S EVALUATION OF SDG&E MATURITY MODEL

The Energy Safety draft decision indicates that SDG&E has a maturity level of 1.17 in Category B, Situational Awareness and Forecasting. In contrast, SDG&E's internal assessment based on the Maturity Model scoring guidelines shows a higher maturity level of 1.67 in the same category. Additionally, SDG&E identified discrepancies in the capability averages provided by Energy Safety in the following capabilities: 4. Calculation of risk and risk components, 5. Risk event tracking and integration of lessons learned, 9. Wildfire spread forecasting, and 15. Asset maintenance and repair. To further investigate

these variances, SDG&E requests that Energy Safety provides another level of granularity for the Comprehensive Maturity Survey Results at the sub capability level for each capability.

SDG&E hopes to work with Energy Safety to continue to explore improvements and refinements to the Maturity Model process for future years.

III. COMMENTS ON SPECIFIC AREAS FOR CONTINUED IMPROVEMENT IDENTIFIED BY ENERGY SAFETY

A. SDGE-23-02 Calculating Risk Scores Using Maximum Consequence Values

SDG&E requests that Energy Safety modify the requirement that SDG&E transition from maximum consequence values to either probability distributions or averages based solely on the generally conclusory statements in the Draft Decision. A shift of this magnitude should not be adopted without a comprehensive understanding of the potential implications and limitations associated with this shift. SDG&E believes it is of vital importance to gain a thorough understanding of both the immediate and lasting consequences of this recommendation on the mitigation portfolio and other potential implications that could arise from implementing a change of this magnitude. SDG&E would prefer to evaluate all three approaches of probability distributions, averages, and maximum consequence in partnership with Energy Safety, industry partners, and academic institutions, and subsequently adopt an appropriate approach based on the individual utility as well as other considerations. SDG&E's primary objective is to identify the approach that best aligns with the goal of mitigating wildfire risk while offering the most accurate, transparent, and efficient means to attain this objective. Additionally, it remains vital to understand the risks associated with maximum consequence event to assess the likelihood and consequence of a worst-case scenario event. Failure to consider outlier tail risk scenarios may leave wildfire risk unaddressed.

A multi-pronged approach is also consistent with the S-MAP Settlement,[1] which allows reporting both average risk and tail risk. SDG&E acknowledges that considering worst-case scenarios in the decision-making process as averages or probability distributions may not adequately account for extreme events. Considering that vital measurements relating to climate change are still in flux, SDG&E is requesting the flexibility to evaluate all methodologies and looks forward to collaborating on the most appropriate solution. Further, Energy Safety should work in coordination with any ongoing risk assessment proceedings at the California Public Utilities Commission, including the Order Instituting Rulemaking to Further Develop a Risk-Based Decision-Making Framework (RDF OIR) process, to promote a consistent approach where tail risk, risk

[1] CPUC Decision 18-12-014, Dec 20, 2018, Phase Two Decision Adopting Safety Model Assessment Proceeding (S-MAP) Settlement Agreement with Modifications, Appendix A p. A-12 to A-13.

scaling (formerly risk attitude), and risk tolerance are addressed on a comprehensive basis.

B. SDGE-23-06 Demonstration of Proper Decision Making for Selection of Undergrounding Projects

SDG&E does not agree with the statements made suggesting that SDG&E is "potentially leaving customers exposed to unmitigated risks for extended periods" and that SDG&E will "default to undergrounding during its selection process."[2] SDG&E is vigilant in its mission to reduce the risk of wildfire and its current deployment of sensitive relay profile settings, sensitive ground fault settings, and other mitigation measures are currently available to be deployed throughout the HFTD. SDG&E enables these settings when the wildfire potential is high enough to warrant mitigation measures in the short term. Moreover, SDG&E uses PSPS as a tool of last resort to reduce the likelihood of an ignition during the highest risk conditions. The longer-term goal of SDG&E's undergrounding initiative is to reduce both wildfire risk and the reliability impacts of both planned and unplanned outages. Undergrounding remains the optimal means of reducing long-term wildfire and PSPS risk.

SDG&E does not "default" to undergrounding when selecting the circuit segments to be hardened through strategic undergrounding. SDG&E's WiNGS-Planning tool starts with the targeted risk reduction at the portfolio level to identify the approach that will result in the most long-term risk reduction per dollar for the service territory. In order to achieve this portfolio-level risk reduction goal, SDG&E selected its risk spend efficiency ("RSE") threshold for when circuit segments will be selected for undergrounding or covered conductor. Rather than a "default," the RSE threshold for undergrounding is tied to the achievement of the portfolio risk reduction target. The WiNGS-Planning model assesses all risk drivers, including vegetation contacts and third-party contacts when identifying the risk within a segment. Solely looking at grid hardening activities based on the segment-by-segment RSE may result in the overall portfolio of mitigations not achieving the same level of risk reduction per dollar.

With respect to the requirements of SDG&E-23-06, SDG&E respectfully requests a modification to the language in this area for continued improvement ("ACI") to reflect the ongoing nature of SDG&E's risk analysis. The ACI requires SDG&E to "provide an analysis demonstrating its process for the selection of undergrounding projects," which must include: regarding location-specific undergrounding effectiveness compared to combinations of mitigations (such as covered conductor, early fault detection, and sensitive relay profile).

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[2] Draft Decision on San Diego Gas & Electric Company's 2023-2025 WMP (Draft Decision), p. 30, OEIS Docket No. 2023-2025-WMPs (August 30, 2023). Available at www.energysafety.ca.gov.

SDG&E continues to work on development of these capabilities, but due to the complexity of this analysis, it will take time. The effectiveness ratings for combinations of mitigation remains under consideration and is informed by ongoing efforts, including the risk modeling working groups. SDG&E will share the analysis and explore incorporating combinations of mitigations into WiNGS Planning in 2024. But given the very limited timeframe between final approval of the 2023-2025 WMP and submission of the 2025 Update, there is not enough time to complete a thorough analysis and implement changes to the models. To avoid the potential for error associated with overly hasty action, SDG&E requests that this ACI be modified to reflect that SDG&E report on its progress in establishing an analysis for the selection of undergrounding projects that includes the five requirements in SDG&E-23-06.

This ACI also has a bullet item requiring that SDG&E's analysis of undergrounding project selection address "any remaining risk via interim measures for any planned covered conductor projects."[3] SDG&E requests that Energy Safety clarify this requirement. It is not clear if this is meant to state other mitigations should be combined with covered conductor as an alternate to underground or as an interim measure while underground is being developed for a particular segment hardening.

C. SDGE-23-07 Third-Party Recommendations for Model Improvements.

SDG&E requests Energy Safety to revise ACI SDGE-23-07 regarding the inclusion of our Vegetation Risk Index ("VRI") and the requirement that SDG&E update Energy Safety on how the VRI "informs vegetation management decisions."[4] To clarify any misunderstandings regarding the use of the VRI, the VRI is a situational awareness tool used in SDG&E's WiNGS-Ops model for PSPS decision making. To the extent the third-party consultant made recommendations regarding the VRI, SDG&E will consider them in the context of the WiNGs Model.

The VRI is not sufficient for vegetation management operational decision-making as it does not categorize circuits and transmission lines based on tree species, tree height, tree count, and historical vegetation-related outages. SDG&E is currently developing a comprehensive tool that includes multiple risk-related indicators, which may inform a more risk-based approach to vegetation management in the future. This model, however, remains under consideration and was not a subject of the third-party consultant's review.

D. SDGE-23-09 New Technologies Evaluation and REFCL Implementation

SDG&E asks Energy Safety to reconsider and remove ACI SDGE-23-09 regarding rapid earth fault current limiter ("REFCL") implementation. The description of this ACI states that "SDG&E has not moved forward with piloting REFCL, or explained why it is not exploring the technology." This is not accurate and does not reflect SDG&E's past

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3 Draft Decision at 80.

4 Draft Decision at 81.

WMP submissions. In its 2022 WMP Update, SDG&E included a summary of the detailed study SDG&E performed regarding the feasibility of and costs associated with implementing REFCL.[5] This study detailed out the required costs associated with rebuilding SDG&E's existing overhead system for it to be compatible with REFCL technology and found that the anticipated rebuild of infrastructure alone that would be needed to deploy REFCL would be incredibly costly (potentially greater than one billion dollars). Further, REFCL would not provide coverage or mitigation for any faults outside of single phase-to-ground types.

Based on the conclusions of the study, it was unreasonable to proceed with a REFCL pilot. Instead, SDG&E prefers to rely on the technologies developed and deployed with over ten years of experience. Technologies such as Sensitive Ground Fault Detection, Sensitive Relay Profile Settings and Falling Conductor Protection provide a diverse and layered approach to covering all types of fault scenarios possible on the distribution system.

SDG&E also finds that this ACI overlaps with SDGE-23-08, which requires SDG&E to participate in the IOUs' continued efforts to evaluate new technologies being piloted and deployed including, but not limited to: REFCL, EFD, DFA, falling conductor protection, use of smart meter data, open phase detection, remote grids, and microgrids. As SDG&E will continue to assess the effectiveness of REFCL through this process, it would be redundant and unnecessary to perform additional analysis—beyond that listed above—on the feasibility of REFCL on SDG&E's system.

SDG&E will continue working with our peers in the industry to remain up to date on REFCL technology should there be any change in the cost of implementation or its demonstrated effectiveness that would change SDG&E's position on implementing REFCL in its service territory.

E. SDGE-23-13 QA/QC for Inspections

SDG&E requests that Energy Safety revise the statement in SDG&E-23-13, "[t]his may be related to SDG&E's new practice of exclusively using drones to perform QA/QC of detailed inspections, given that drones have different findings than detailed inspections." SDG&E clarifies that it is not exclusively using drones to perform QA/QC of detailed inspections. Rather, drone inspections have replaced SDG&E's discontinued distribution Tier 3 inspection program referenced in Data Request OEIS-P-WMP_2023-SDGE-002 Question 6b as "QA/QC inspections." SDG&E continues to perform QA/QC of detailed inspections and will respond accordingly to this ACI in its 2025 WMP Update.

F. SDGE-23-14 Equipment Maintenance and Repair Maturity Level

SDG&E asks Energy Safety to reconsider ACI SDGE-23-14 regarding SDG&E's maturity level for equipment maintenance and repair. Although OEIS states in the Draft

[5] SDG&E 2022 WMP Update at Section 4.4.2.10.

Decision that SDG&E's average maturity will remain at 1.5 through 2026, SDG&E determined an average maturity level of 1.75 by showing a growth in maturity from 1.5 to 2 by 2026. Additionally, SDG&E urges Energy Safety to reevaluate SDG&E's responses to the three Maturity Model questions identified as having a negative impact on maturity level. While SDG&E considers performance history, usage, and environmental conditions of individual equipment when developing asset management strategies, it does not use such information to establish maintenance frequencies or estimate reductions in service life. Because maintenance and inspection frequencies are determined by GO 165, SDG&E supplements mandated maintenance programs with proactive, risk-based inspection programs that incorporate the factors identified above. See Section 8.1.4 Equipment Maintenance and Repair of SDG&E's 2023-2025 WMP for more information on asset management strategies.

G. SDGE-23-18 Update Targets Table with Planned Improvements' Measurable Targets

SDG&E asks Energy Safety to reconsider ACI SDGE-23-18 regarding measurable targets for planned improvements to situational awareness technologies. The planned improvements discussed in SDG&E's 2023-2025 WMP are not critical to operating the weather station network and are considered supplemental research and development; therefore, are not initiatives on their own. Rather, SDG&E is evaluating the benefits of performing those activities in 2023 for potential inclusion in later years. For this reason, SDG&E did not include planned improvements in OEIS Table 8-23: Situational Awareness Initiative Targets by Year and asks Energy Safety to reconsider making this required. Instead, SDG&E acknowledges the importance of maintenance and calibration of its existing weather station network and will begin reporting on these activities in response to ACI SDGE-2023-19

IV. Conclusion

SDG&E thanks Energy Safety for their thoughtful review and requests that Energy Safety take these recommendations into account in the process of issuing a final approval of SDG&E's 2023-2025 WMP.

Respectfully submitted,

/s/ Laura M. Fulton

Attorney for
San Diego Gas and Electric Company