



## Electrical Undergrounding Plans (Docket #2023-UPs) Request for Comments on Development of Guidelines for the 10-Year Electrical Undergrounding Distribution Infrastructure Plan (Undergrounding Plan)

The Electrical Undergrounding Division of the Office of Energy Infrastructure Safety (Energy Safety) is developing guidelines for large electrical corporations to submit a 10-Year Electrical Undergrounding Distribution Infrastructure Plan (Undergrounding Plan) pursuant to Public Utilities Code sections 8385 and 8388.5. A copy of these code sections is included as an appendix.

The questions below are part of Energy Safety’s ongoing process to develop these guidelines in Docket #2023-UPs. Please submit your responses by **November 2, 2023 to [ElectricalUndergroundingPlans@energysafety.ca.gov](mailto:ElectricalUndergroundingPlans@energysafety.ca.gov)**.

### Part I – Requirements for Energy Safety Approval

#### Reliability

*Public Utilities Code section 8388.5(d)(2) directs Energy Safety to approve an Undergrounding Plan only if the large electrical corporation “has shown” that the Undergrounding Plan **will substantially increase electric reliability by reducing the use of public safety power shutoffs (PSPS), enhanced powerline safety settings (EPSS), deenergization events and any other outage programs, and will substantially reduce the risk of wildfire.***

- a) **Outage Programs.** Section 8388.5(d)(2) refers to “reducing the use of public safety power shutoffs (PSPS), enhanced powerline safety settings (EPSS), deenergization events and any other outage programs . . .” The term “deenergization event” is defined by 8388.5(a)(3) as “the proactive interruption of electrical service for the purpose of mitigating or avoiding the risk caused by a wildfire.” The term “outage program” is not defined. Propose how “outage program” should be defined for purposes of implementation of Section 8388.5(d)(2). Explain why this is an appropriate definition.
- b) **Baseline for PSPS, EPSS, De-energization and Other Outage programs.** Propose a methodology for determining a level of reliability that should be used as the baseline level of reliability against which any assessment of whether the use of PSPS, EPSS, de-energization and other outage programs is increased or decreased is measured. Should the reliability baseline be set as of the date of plan submission, application approval, or another date? Address whether the proposed baseline can be determined using existing data (and if so, where that data can be accessed), or whether a new data set would be necessary.

- c) **Substantial Increase.** What would constitute a “substantial” increase in reliability under the proposed methodology?

### **Reduction of Risk of Wildfire.**

*Public Utilities Code section 8388.5(d)(2) directs Energy Safety to approve an Undergrounding Plan only if the large electrical corporation “has shown” that the Undergrounding Plan will substantially increase electric reliability by reducing the use of public safety power shutoffs (PSPS), enhanced powerline safety settings (EPSS), deenergization events and any other outage programs, and **will substantially reduce the risk of wildfire.***

- d) **Baseline for Wildfire Risk.** Propose a methodology for determining a level of wildfire risk that should be used as the baseline level of wildfire risk against which any assessment of whether wildfire risk was reduced is measured. The baseline and comparisons should isolate wildfire risk reduction from other factors (such as cost, reliability, etc.). Should the wildfire risk baseline be set as of the date of plan submission, application approval, or another date?
- e) **Substantial Reduction of Wildfire Risk.** What would constitute a “substantial” reduction in wildfire risk under the proposed methodology?

### **Part II – Required Components of Undergrounding Plan**

*Section 8388.5(c) sets out the required components for the Undergrounding Plan. Subsections 8388.5(c)(2) – 8388.5(c)(4) direct the large electrical corporation to identify, prioritize, and compare undergrounding projects.*

#### **Undergrounding Projects**

- a) **Definition of Undergrounding Projects.** Public Utilities Code section 8388.5 refers to “undergrounding projects” that will be constructed as part of the program. The term “undergrounding project” is not defined. How should “undergrounding project” be defined for purposes of section 8388.5? What features or characteristics should be used to differentiate individual undergrounding projects? Should there be minimum or maximum size requirements for individual undergrounding projects?
- b) Section 8388.5(c)(2) requires the large electrical corporation to identify the undergrounding projects that comprise the plan. Energy Safety intends to require the large electrical corporation to provide the circuit number, mileage, and location (including whether the project is in a tier 2 or tier 3 high fire-threat district or rebuild area) for each undergrounding project. What other information should be provided for this identification? Should the large electrical corporation include projects located in in utility-identified high fire risk areas (HFRA)?
- c) Section 8388.5(c)(2) also requires the large electrical corporation to provide a means of prioritizing undergrounding projects based on wildfire risk reduction, public safety, cost efficiency, and reliability benefits. Energy Safety’s approval of the plan, however, must be based on wildfire risk reduction and certain reliability improvements. How should the prioritization elements be distinguished from the Undergrounding Plan approval criteria in Section 8388.5(d)?

- d) 8388.5(c)(3) requires the large electrical corporation to provide: (1) timelines for the completion of identified and prioritized undergrounding projects; (2) unit cost targets for each year covered by the plan; and (3) mileage completion targets for each year covered by the plan. Are there other completion metrics or annual targets that should be included in the Undergrounding Plan?

## Appendix

### California Public Utilities Code Division 4.1 Provisions Applicable to Privately Owned and Publicly Owned Public Utilities Chapter 6 Wildfire Mitigation Sections 8385 and 8388.5

#### **Section 8385.**

(a) For purposes of this chapter, the following definitions shall apply:

- (1) "Compliance period" means a period of approximately one year.
- (2) "Deenergization event" means the proactive interruption of electrical service for the purpose of mitigating or avoiding the risk of causing a wildfire.
- (3) "Electrical cooperative" has the same meaning as defined in Section 2776.
- (4) "Large electrical corporation" has the same meaning as defined in Section 3280.
- (5) "Office" means the Office of Energy Infrastructure Safety, within the Natural Resources Agency.

(b) Beginning July 1, 2021, the office shall supervise an electrical corporation's compliance with the requirements of this chapter pursuant to the Public Utilities Act (Part 1 (commencing with Section 201) of Division 1). Nothing in this chapter affects the commission's authority or jurisdiction over an electrical corporation, electrical cooperative, or local publicly owned electric utility.

#### **Section 8388.5.**

(a) The commission shall establish an expedited utility distribution infrastructure undergrounding program consistent with this section.

(b) Only a large electrical corporation may participate in the program.

(c) In order to participate in the program, a large electrical corporation shall submit to the office a distribution infrastructure undergrounding plan that shall address or include, at minimum, all of the following components:

- (1) A 10-year plan for undergrounding distribution infrastructure.
- (2) Identification of the undergrounding projects that will be constructed as part of the program, including a means of prioritizing undergrounding projects based on wildfire risk reduction, public safety, cost efficiency, and reliability benefits. Only undergrounding projects located in tier 2 or 3 high fire-threat districts or rebuild areas may be considered and constructed as part of the program.
- (3) Timelines for the completion of identified and prioritized undergrounding projects, and unit cost targets and mileage completion targets for each year covered by the plan.
- (4) A comparison of undergrounding versus aboveground hardening of electrical infrastructure and wildfire mitigation for achieving comparable risk reduction, or any other alternative mitigation strategy, such as covered conductor and rapid earth fault current limiter devices, for those prioritized undergrounding projects, evaluating the scope, cost, extent, and risk reduction of each activity, separately and collectively, over the duration of the plan. The comparison shall emphasize risk reduction and include an analysis of the cost

of each activity for reducing wildfire risk, separately and collectively, over the duration of the plan.

(5) A plan for utility and contractor workforce development.

(6) An evaluation of project costs, projected economic benefits over the life of the assets, and any cost containment assumptions, including the economies of scale necessary to reduce wildfire risk and mitigation costs and establish a sustainable supply chain.

(d) Upon a large electrical corporation submitting a plan to the office, the office shall do both of the following:

(1) Publish the plan for public comment.

(2) Within nine months, review and approve or deny the plan. The office may only approve the plan if the large electrical corporation has shown that the plan will substantially increase electrical reliability by reducing the use of public safety power shutoffs, enhanced powerline safety settings, deenergization events, and any other outage programs, and substantially reduce the risk of wildfire. Before approving the plan, the office may require the large electrical corporation to modify the plan.

(e) (1) Upon the office approving a plan pursuant to paragraph (2) of subdivision (d), the large electrical corporation shall, within 60 days, submit to the commission a copy of the plan and an application requesting review and conditional approval of the plan's costs and including all of the following:

(A) Any substantial improvements in safety risk and reduction in costs compared to other hardening and risk mitigation measures over the duration of the plan.

(B) The cost targets, at a minimum, that result in feasible and attainable cost reductions as compared to the large electrical corporation's historical undergrounding costs.

(C) How the cost targets are expected to decline over time due to cost efficiencies and economies of scale.

(D) A strategy for achieving cost reductions over time.

(2) The assigned commissioner may waive the requirements of subdivisions (b), (d), (f), and (i) of Section 1701.3 for an application submitted to the commission pursuant to paragraph (1).

(3) In reviewing an application submitted to the commission pursuant to paragraph (1), the commission shall consider not revisiting cost or mileage completion targets approved, or pending approval, in the electrical corporation's general rate case or a commission-approved balancing account ratemaking mechanism for system hardening.

(4) Upon the commission receiving an application pursuant to paragraph (1), the commission shall facilitate a public workshop for presentation of the plan and take public comment for at least 30 days.

(5) On or before nine months, the commission shall review and approve or deny the application. Before approving the application, the commission may require the large electrical corporation to modify or modify and resubmit the application.

(6) The commission shall consider continuing an existing commission-approved balancing account ratemaking mechanism for system hardening for the duration of a plan, as determined by the commission, and shall authorize recovery of recorded costs that are determined to be just and reasonable.

(f) If the plan is approved by the office and commission, the large electrical corporation shall do all of the following:

(1) Every six months, file a progress report with the office and the commission. The large electrical corporation and the office shall publish these progress reports on their internet websites.

(2) Include ongoing work plans and progress in annual wildfire mitigation plan filings.

(3) Hire an independent monitor, selected by the office, to review and assess the large electrical corporation's compliance with its plan and submit a report with the office each December 1 over the course of the plan.

(g) (1) In reviewing and assessing the large electrical corporation's compliance with its plan pursuant to paragraph (3) of subdivision (f), the independent monitor shall assess whether the large electrical corporation's progress on undergrounding work has been consistent with the objectives identified in its plan. The independent monitor's report shall specify any failure, delays, or shortcomings of the large electrical corporation and provide recommendations for improvements to accomplish the objectives set forth in the plan.

(2) The large electrical corporation shall have 180 days to correct and eliminate any deficiency specified in the independent monitor's report.

(3) On or before December 1 of each year the plan is in effect, the independent monitor shall submit the report to the office.

(h) The office shall publish reports received pursuant to paragraph (3) of subdivision (g) on its internet website.

(i) (1) The office shall consider the independent monitor's report and whether the large electrical corporation has cured any deficiencies, and may recommend penalties to the commission.

(2) The commission may assess penalties on a large electrical corporation that fails to substantially comply with a commission decision approving its plan.

(j) Each large electrical corporation participating in the program shall apply for available federal, state, and other nonratepayer moneys throughout the duration of its approved undergrounding plan, and any moneys received as a result of those applications shall be used to reduce the program's costs on the large electrical corporation's ratepayers.