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VIA E-MAIL

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RE: SDG&E Comments on Undergrounding Plan Guidelines

Pursuant to the memo from the Office of Energy Infrastructure Safety (Energy Safety) issued on October 16, 2023 regarding the development of draft electrical undergrounding guidelines for large electrical corporations, San Diego Gas & Electric Company (SDG&E) hereby submits to Energy Safety these comments responding to Energy Safety's first set of questions for stakeholder comment.

I. SDG&E RESPONSE TO ENERGY SAFETY'S QUESTIONS

a. Outage Programs – Section 8388.5(d)(2) refers to "reducing the use of public safety power shutoffs (PSPS), enhanced powerline safety settings (EPSS), de-energization events and any other outage programs . . ." The term "de-energization 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.

SDG&E recommends that "outage program" be defined as any grouping of de-energizations, planned or unplanned, that have customer impacts. These additional "outage programs" may be defined by the utility when filing the undergrounding plan. Allowing the utilities to define any additional "outage programs" allows for the utilities to take into account the benefits that will be seen by undergrounding specific to the service territory and locations selected for undergrounding.

SDG&E proposes that any additional "outage programs" should not be mandatory requirements for the undergrounding plan, but may be proposed by each utility in order to capture any additional impacts specific to that utility's circuits proposed for undergrounding.

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.

SDG&E recommends that the reliability baseline be set utilizing the data available at the time of plan submission. The proposed baseline can be determined utilizing existing reliability data and metrics. Existing system-wide reliability data and metrics are provided to the Commission as required by Decision D.16-01-008, and all annual reports are posted on the CPUC website.

SDG&E proposes that reliability baselines be set at the circuit or circuit-segment level for the projects being considered within the plan. This allows for the benefits of the undergrounding to be accurately captured for the specific circuits or circuit-segments being undergrounded. The reliability data and metrics for these circuits is not required by the annual report unless it is included within the top one percent of the worst performing circuits, but that data is currently available within the utility and would also be utilized when filing the undergrounding plan.

c. Substantial Increase – What would constitute a "substantial" increase in reliability under the proposed methodology?

SDG&E does not believe that defining "significant" as a specific percentage increase for all electrical corporations is possible at this point in time as the structure of each utility's electric grid, weather trends and topography, and other factors that affect reliability will vary.

SDG&E also notes that it would be premature to set a precise threshold for substantial reliability improvement at this time because the amount of reliability benefit a plan could achieve will be affected by the final plan guidelines and requirements set by Energy Safety. For example, the more electrical corporations are directed to focus exclusively on reduction of wildfire risk, the less they will be able to focus on reliability benefits.

While undergrounding will lead to reliability improvements, especially when considering the reduced impacts of PSPS, wildfire risk reduction is the primary driver of the plan and should remain the focus of the plan evaluation.

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?

SDG&E proposes that the baseline level of wildfire risk be determined utilizing the data available as of the date of plan submission. The methodology for determining the

baseline level of wildfire risk would be proposed by the utility at the time of plan submission. Each utility utilizes internally developed risk models, as required by Energy Safety, that are tailored to the conditions experienced within that utility's service territory. These risk models that are described in the Wildfire Mitigation Plans should serve as the tool for calculating and reporting the baseline level of wildfire risk at both the service territory level and at the circuit or circuit-segment level.

SDG&E proposes that risk reduction baselines be set at the circuit or circuit-segment level for the projects being considered within the plan. This allows for the benefits of the undergrounding to be accurately captured for the specific circuits or circuit-segments being undergrounded. SDG&E also notes that risk models may be updated throughout the course of the ten-year plan and a mechanism to allow for updates to these models should be included within the Undergrounding Plan guidelines.

e. Substantial Reduction of Wildfire Risk – What would constitute a "substantial" reduction in wildfire risk under the proposed methodology?

SDG&E recommends that a "substantial" reduction in wildfire risk be defined as the wildfire risk being reduced by more than 80% from the baseline risk on the circuit or circuit-segment for which the undergrounding is being considered.

f. 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?

SDG&E recommends that "undergrounding project" be defined by the utility as either a full circuit or a circuit segment that is being considered for undergrounding. The circuit segment would include all primary voltage infrastructure:

- Between the beginning of the circuit (at the substation level circuit breaker) through a sectionalizing device.
- Between two sectionalizing devices
- Between a sectionalizing device and the end of the circuit

There should be no minimum or maximum size requirements for individual undergrounding projects. The undergrounding projects will be proposed at the circuit or circuit segment level.

g. 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)?

SDG&E does not recommend any additional information be required for identifying the projects that comprise the plan. Projects that are located within utility-identified high fire risk areas may be proposed by the utility based on its risk modeling and the impact that project will have on wildfire risk reduction and reliability improvements.

h. 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)?

The Undergrounding Plan should be approved based on the wildfire risk reduction, improvements to public safety, cost efficiency, and reliability benefits independent of how the projects are prioritized within the plan. The utility will propose prioritization of the undergrounding projects based on its knowledge of construction feasibility and timelines including permit approval, land acquisition, and construction resources. However, these timelines may change or be impacted by unforeseen circumstances. These changes can be explained within the progress reports, but flexibility to complete the work based on all of the factors that can influence constructability should be maintained.

i. Section 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?

SDG&E does not propose any other completion metrics or annual targets that should be included in the Undergrounding Plan.

II. CONCLUSION

SDG&E appreciates the Energy Safety's consideration of these comments and proposals, and requests that Energy Safety take these recommendations into account in the development of guidelines for the 10-Year electrical undergrounding distribution infrastructure plan.

Respectfully submitted,

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San Diego Gas and Electric Company