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

RE: SDG&E Comments on Undergrounding Plans Guideline Development Working Groups

San Diego Gas & Electric Company (SDG&E) provides the following comments addressing Energy Safety's Working Groups to develop guidelines for the large electrical corporations' 10-Year Undergrounding Distribution Infrastructure Plans (Undergrounding Plan), pursuant to Public Utilities Code Sections 8385 and 8388.5. SDG&E's comments focus on the topics discussed in the Working Groups including the use of cost-benefit ratios and other metrics to assess plan effectiveness, evaluation of alternative mitigations, changes to the Undergrounding Plan, and required reporting.

I. COST-BENEFIT METRICS AND ALTERNATIVES EVALUATION

The Undergrounding Plan should allow for the use and consideration of additional metrics beyond the cost-benefit ratio (CBR) when evaluating an electrical corporations' Undergrounding Plan. This approach is consistent with the use of CBRs at the Commission, and facilitates an informed and transparent risk assessment process, while also recognizing the myriad of factors that ultimately inform mitigation selections.¹

While the CBR assists electrical corporations and stakeholders in assessing the potential value of a project or group of projects, in adopting the use of a cost-benefit approach, the Commission clearly explained that it does not intend CBR to be the "sole determinant" of risk mitigation strategies.² "Mitigation selection can be influenced by other factors, including, but not limited to, funding, labor resources, technology, planning and construction lead time, compliance requirements, Risk Tolerance thresholds, operational and execution considerations, and modeling limitations and/or uncertainties affecting the

¹ See Decision (D.)22-12-027, *Phase II Decision Adopting Modifications to the Risk-Based Decision-Making Framework Adopted in Decision 18-12-014 and Directing Environmental and Social Justice Pilots*, (December 21, 2022) at 26-28.

² D.22-12-027, p.26

analysis.”³ As with the General Rate Case (GRC) process, an electrical corporation should be afforded the opportunity to explain how these other factors influenced the scope of a proposed Undergrounding Plan and justify the reasonableness of proposed mitigations.⁴

SDG&E proposes that an Undergrounding Plan be reviewed across the full scope of the ten-year Undergrounding Plan to understand the CBR in addition to the net benefit and overall risk reduction that will be achieved by the plan. This evaluation is supported by the statute when comparing undergrounding versus aboveground hardening to understand the “scope, cost, extent, and risk reduction of each activity separately and collectively, over the duration of the plan.”⁵ For example, when measured at the circuit segment level, an alternative mitigation may have a higher CBR than undergrounding, but when measured collectively across the entire plan period, or beyond the circuit segment, the alternatives may not result in a comparable level of risk reduction over the long term. Understanding all aspects of risk reduction, efficiencies, and long-term effectiveness will better allow the Underground Plans to facilitate significant reductions to the overall wildfire risk for the State and each utility’s respective service territories.

Additionally, when comparing alternatives to undergrounding, the alternative should be limited to the mitigation, such as covered conductor, or combination of mitigations, such as covered conductor combined with REFCL or other protection technologies, as addressed by that electrical corporation’s Wildfire Mitigation Plan and established as feasible to implement for that specific utility. While it is reasonable to compare undergrounding against other feasible mitigation strategies, it is not consistent with the intent of an expedited undergrounding plan to go down each proverbial rabbit hole to exclude every potential mitigation approach. Energy Safety should not require consideration or quantification of all potential alternatives if such alternatives have already been or can be established as infeasible, unreasonable, or unduly burdensome. Requiring presentation or assessment of unreasonable or infeasible strategies and mitigations would make the Undergrounding Plan, along with the required analysis and review, overly burdensome and out of line with real-world conditions or external limitations.

II. CHANGES TO AN UNDERGROUNDING PLAN

When filing the Undergrounding Plan, each utility will propose a decision-making framework, including the data ingested, the risk model utilized, assumptions for mileage and costs, and other associated factors. Given the timeframe covered by the Plan, there will likely be changes to these inputs over time, such as cost reductions or improved understanding of risk, that occur during the plan period. Any of these changes that fit within the approved framework of the plan should not trigger the need for additional review or approval that would impede the progress of the overall Undergrounding Plan. SDG&E

³ *Id.*

⁴ *Id.* at 27.

⁵ Pub. Util. Code § 8388.5(c)(4).

proposes to report these changes and updates, along with any impact they may have on the proposed Plan, during the required six-month progress reports, with more details on the risk models themselves being provided in the respective Wildfire Mitigation Plans and WMP Updates for each utility.

III. REPORTING

SDG&E agrees with the reporting schedule proposed by PG&E during the working groups and recommends due dates for the six-month progress reports be April 1 and October 1 each year.

The April 1 report would:

- Detail progress achieved in Q1-Q4 of the previous calendar year and summarize progress achieved since the start of the program.
- For example, assuming a program started on 1/1/27, the report filed on 4/1/2030 would detail the program progress achieved during 2029 (1/1/2029 - 12/31/2029) and would summarize the cumulative program achievements from 1/1/2027 through 12/31/2029.

The October 1 report would:

- Detail progress achieved in Q1 and Q2 of that year. For example, report filed on 10/1/30 would report progress achieved from 1/1/30 - 6/30/30.

SDG&E also agrees with the PG&E proposal that the Independent Monitor report also be due annually on October 1. This timing would enable the Independent Monitor's report to be informed by:

- The April 1 progress report (that is comprehensive of the previous calendar year)
Wildfire Mitigation Plans (due Q1).

IV. CONCLUSION

SDG&E appreciates the Energy Safety's consideration of these comments, and requests that Energy Safety take these recommendations into account in any final guidelines for the 10 Year Undergrounding Plans.

Respectfully submitted,

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Attorney for

San Diego Gas and Electric Company