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Docket #2023-UPs

Caroline Thomas Jacobs
Director, Office of Energy Infrastructure Safety
715 P Street, 20th Floor
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**RE: SDG&E Reply Comments on Undergrounding Plans Guideline Development
Working Groups**

San Diego Gas & Electric Company (SDG&E) provides the following reply 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.

I. The Undergrounding Plan Guidelines Should Recognize the Goals of Senate Bill 884

The Utility Reform Network (TURN) addresses the "joint responsibility" of Energy Safety and the California Public Utilities Commission (CPUC) and the inter-relationship of the consecutive review processes established by Public Utilities Code Section 8388.5. The statute clearly lays out a bifurcated, consecutive process by which Energy Safety first reviews an electrical corporation's Undergrounding Plan, and then—assuming Energy Safety's approval of the Plan—the electrical corporation submits the Plan and an application requesting review and conditional approval of the Plan's costs.¹ While SDG&E supports ongoing coordination between Energy Safety and the Commission to facilitate a streamlined and expeditious development of

¹ Pub. Util. Code § 8388.5(e)(1).

Undergrounding Plan guidelines, it does not seem necessary for the agencies to put forward a *combined* proposal as requested by TURN.² Allowing each agency to develop and approve their respective Guidelines will also foster expediency in the event the agencies identify opportunities to enhance the process as the Plans are developed.

TURN also misstates the goals and intentions of Senate Bill (SB) 884 in claiming that a utility must establish that undergrounding is the “most cost-effective alternative,” and that work must be prioritized “based on risk.”³ While TURN, Cal Advocates, and MGRA continue to encourage both the Commission and Energy Safety to adopt these requirements as key policy principles in reviewing an Undergrounding Plan proposal, SB 884 is clear that the Plans should span a holistic review and assessment of reliability, public safety, and cost efficiency.⁴ Cost efficiency is an important input in assessing an Undergrounding Plan, but should not be the sole determinant of Plan approval.

As SB 884 established, Energy Safety should approve the Plan if an electrical corporation demonstrates that it “will substantially increase electrical reliability by reducing the scope of public safety power shutoffs, enhanced powerline safety settings, energization events, and any other outage programs, and substantially reduce the risk of wildfire.” And costs associated with an approved Plan should be authorized for recovery if they are just and reasonable. Achieving these aims will support California’s energy and electrification goals, in addition to reducing wildfire and PSPS risk.

II. Work Prioritization Should Balance Risk Reduction and Cost Efficiencies

Comments on the Undergrounding Plans guideline development working groups focused on the need to perform analysis between undergrounding and overhead hardening at specific locations. SDG&E agrees with this approach and will perform the comparison between

² Comments of The Utility Reform Network on Electrical Undergrounding Plans (Docket #2023-UPs) Request for Comments on Development of Guidelines for the 10-Year Electrical Undergrounding Distribution Infrastructure Plan (Undergrounding Plan) at 1

³ Id.

⁴ Pub. Util. Code §8388.5(c)(2) (noting that undergrounding projects should be prioritized based on several factors, including “wildfire risk reduction, public safety, cost efficiency, and reliability benefits.”)

undergrounding and overhead hardening for each location (typically at the circuit segment level)⁵ but reiterates that this not be the sole determinant in selecting mitigations for a long-term undergrounding plan.

TURN states in their comments that the utility should “only underground where it is the most cost-effective alternative.”⁶ SDG&E understands that 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 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 at specific locations as well as additional metrics such as 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 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.

⁵ Cal Advocates encourages Energy Safety to require each wildfire mitigation strategy at the “location specific” level, indicating a review more granular than the circuit segment. SDG&E opposes this recommendation as it would not account for PSPS risk reduction, which is typically performed at the circuit segment between sectionalizing devices, so it would fail to address reliability benefits. Use of circuit segment risk reduction is reasonable because it aligns with existing risk models, the ongoing development of the electrical corporations’ CBRs, and reliability benefits.

⁶ Comments of The Utility Reform Network on Electrical Undergrounding Plans (Docket #2023-UPs) Request for Comments on Development of Guidelines for the 10-Year Electrical Undergrounding Distribution Infrastructure Plan (Undergrounding Plan); at 1

Additional comments from TURN also comment on the need for prioritization of high-risk areas for the undergrounding work. TURN states “Unless the utility is acting to mitigate the highest risk locations first, it is allowing risky conditions to persist and shouldn’t be found to be substantially increasing safety.”⁷ SDG&E agrees that the highest risk areas should be prioritized and will endeavor to address these areas first. However, flexibility should be allowed for delays in permitting, land acquisition, design, field conditions, or scheduling construction with other projects for geographic efficiency.

III. Changes to the Undergrounding Plans

When filing the Undergrounding Plan across a ten-year plan period, there will be changes and evolution of risk modeling, costs, and other information that drives mitigation selection. SDG&E, along with PG&E, proposed a decision-making framework, including the data ingested, the risk model utilized, assumptions for mileage and costs, and other associated factors that would be put in place to understand how the utility selects mitigations. SDG&E has proposed that 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 proposed 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.

Comments from the Public Advocates Office put forth suggestions on the process for requesting changes, and the data required to justify any changes to the plan. SDG&E agrees that significant changes to the plan would require additional justification and clearly explain the impact of the changes on the plan. However, this process should only be required for those changes that

⁷ Comments of The Utility Reform Network on Electrical Undergrounding Plans (Docket #2023-UPs) Request for Comments on Development of Guidelines for the 10-Year Electrical Undergrounding Distribution Infrastructure Plan (Undergrounding Plan) at 2.

drive significant changes to the plan and not those minor changes that will occur throughout the plan and which can be reported through the six-month progress reports.

IV. Submission Schedules Should Align with SB 884

Comments from TURN address the need for further clarity into procedures for comment and discovery on the undergrounding plans. TURN recommends that parties have 120 days to develop responsive comments.⁸ SDG&E recognizes the need for parties to develop responsive comments but recommends further clarity into how the 120-day (approximately four month) comment period will fit within a nine-month approval time frame.

TURN also requests that the undergrounding plan be subject to the same three-day turnaround that is required during review of the Wildfire Mitigation Plan (WMP).⁹ This three-day turnaround is required as the approval period for the WMP is 90 days. SDG&E does not believe this timeframe is reasonable or required for a nine-month approval process. SDG&E recognizes that the standard 10-day turnaround required in longer proceedings may also be inadequate and therefore recommends a 7-day turnaround for discovery related to the undergrounding plan.

V. Conclusion

SDG&E appreciates the Energy Safety's consideration of these reply 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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San Diego Gas and Electric Company

⁸ *Id.* at 3.

⁹ *Id.* at 4