# **BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Docket #2023-UPs ElectricalUndergroundingPlans@energysafety.ca.gov

# MUSSEY GRADE ROAD ALLIANCE REPLY TO STAKEHOLDER COMMENTS ON THE DEVELOPMENT OF GUIDELINES FOR THE 10-YEAR ELECTRICAL UNDERGROUNDING DISTRIBUTION INFRASTRUCTURE PLAN

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# for

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Dated: January 18, 2024

#### **1. INTRODUCTION**

The following reply has been prepared for Mussey Grade Road Alliance (MGRA or Alliance) regarding stakeholder comments on the Development of Guidelines for 10-Year Electrical Undergrounding Distribution Infrastructure Plan, as solicited by Kristin Ralff Douglas' December 13, 2023 Memorandum distributed by Energy Safety on December 13, 2023, which set January 8, 2024 as the date for comment and January 18, 2024 for Reply Comments.<sup>1</sup>

### 2. BACKGROUND

A number of comments on the Development of Guidelines document received by OEIS from stakeholders merit additional comment. Specifically will comment briefly on topics raised by PG&E,<sup>2</sup> SCE,<sup>3</sup> and SDG&E.<sup>4</sup>

## 3. ISSUES

## 3.1. The Role of Cost Benefit Analysis (CBR) and Energy Safety

SDG&E correctly states that "the Commission clearly explained that it does not intend CBR to be the "sole determinant" of risk mitigation strategies. '*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.*"<sup>5</sup>

However, it should be noted that:

 <sup>&</sup>lt;sup>1</sup> Docket #2023-Ups; TN13456; Dates for Additional Comments 2023 Undergrounding Plans (Docket #2023-UPs) Schedule for Comments and Reply Comments for the Development of Guidelines for the 10-Year Undergrounding Distribution Infrastructure Plan (Undergrounding Plan); December 13, 2023.
<sup>2</sup> Docket #2023-Ups; TN13549; Pacific Gas and Electric Company's Comments on the Office of Energy Infrastructure Safety's Working Group Meetings on the Development of Guidelines for Submission of 10-Year Electric Undergrounding Distribution Infrastructure Plans Pursuant to Senate Bill 884; January 8; 2024.
<sup>3</sup> Docket #2023-Ups; TN13546; Southern California Edison Company's Opening Comments on the Working

Group Meetings Related to the Development of Draft 10-Year Undergrounding Plan Guidelines; January 8, 2024.

<sup>&</sup>lt;sup>4</sup> Docket #2023-Ups; TN13547; SDG&E Comments on Undergrounding Plans Guideline Development Working Groups; January 8, 2024.

<sup>&</sup>lt;sup>5</sup> SDG&E Comments; pp. 1-2.

- It is NOT the Commission's intent that cost/benefit analysis be given no or de minimis weight, which has become a default in utility general rate case requests (PG&E and SDG&E use decision trees, no CBR/RSE calculated for SCE's IWMS undergrounding program.
- It is the Commission's final role to determine how much funding to allot to utility projects and therefore which will go into the 10-year plan.
- In order to make this decision correctly in an expedited timeframe, the Commission will require well-vetted costs and CBRs already prepared in the plan approved by Energy Safety.

Energy Safety's mission is to maximize public safety, which is complementary to the Commission's role of protecting ratepayers, both physically and economically. Hence, Energy Safety's particular role in the development of undergrounding plans will be to make sure complete data and transparent calculations on both the safety impacts and costs impacts of proposed utility projects and their alternative non-underground implementations have been provided by the IOUs and are, to the extent OEIS can verify, reasonable and correct.

#### **3.2.** Alternatives to CBR

While utilities should be permitted to submit alternative analyses along with CBR analysis for consideration, Energy Safety should not accept these as a primary determining metric, particularly if these are created on an ad-hoc per utility manner.

For example, "PG&E strongly recommends following the CPUC's guidance by allowing an electric corporation to use both a CBR and other metrics—such as a net benefit metric—for project selection in its Undergrounding Plan. An electric corporation should have the opportunity to explain how factors not included in a CBR calculation impact mitigation selection."<sup>6</sup>

It's important to note that the proposed alternative metric – net benefit – would necessarily favor the aggregation of granular projects into large projects, since these would have the highest "net benefit". And of course, with no stakeholder stating that undergrounding is less effective than

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<sup>&</sup>lt;sup>6</sup> PG&E Comments; p. 2.

other mitigations, an undergrounding solution for a large project in a high risk area will always have a high "net benefit". It will also potentially have an extremely high cost. These would need to be compared, which of course leads back to the cost/benefit ratio.

SCE presents an "absolute risk" and "risk tolerance" argument: "*There are absolute risk issues that may not be captured by the cost-benefit ratios including the crucial topic of risk tolerance, as well as a multitude of ethical, socioeconomic, compliance, and physical and resource constraints that are not readily translatable to dollar values, but which are critical to the sophisticated process of actually managing resources, risks, and service.*"<sup>7</sup>

It should be emphasized, as evidenced in SCE's most recent WMP and GRC filing, that SCE's undergrounding program is based on its IWMS program, a collection of consequence-only criteria that it uses for designating undergrounding projects. While some of these criteria, such as egress, are laudable, the fact that the consequences are not attached to probabilities means that IWMS is not a risk program at all, since risk is the product of consequence and probability. Hence it would not be possible for SCE to provide risk data, at least incorporating its determinative criteria, for any undergrounding program it would propose using IWMS. This is why the requirement for a clear CBR supporting the undergrounding program and comparison to alternatives is critical. This would necessarily include quantification of the probabilities associated with IWMS consequences.

# 4. CONCLUSION

The Mussey Grade Road Alliance respectfully requests that Energy Safety consider its comments and take all measures to ensure that undergrounding plans are a public benefit. MGRA and other stakeholders have requested a number of checks, balances, and safeguards that would help both the CPUC and Energy Safety successfully meet criteria set forth in PUC Section (§) 8388.5 ensuring rapid deployment of mitigations while ensuring ratepayer protections.

<sup>&</sup>lt;sup>7</sup> SCE Comments; p. 2.

Respectfully submitted this 18th day of January, 2024,

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