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Reply 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)

Senate Bill (SB) 884 directs the California Public Utilities Commission (CPUC or Commission) to establish an expedited utility distribution undergrounding program consistent with the requirements of Public Utilities Code Section 8388.5. The process described in the statute includes the submission by a utility that so elects of a proposed undergrounding plan to the Office of Energy Infrastructure Safety (Energy Safety). Once approved by Energy Safety, the utility will submit the plan to the CPUC for further review. TURN has submitted comments on the implementation of SB 884 at the CPUC in response to Draft Resolution SPD-15. TURN submitted opening comments on implementation of SB 884 at Energy Safety on January 8 and now presents these Reply Comments.

As an initial matter, TURN reiterates its request that, given the joint responsibility of Energy Safety and the CPUC for review and approval of the SB 884 Undergrounding Plans, interested parties should have an opportunity to comment on the final combined implementation proposal before it goes into effect.¹ This will provide all parties and the two agencies a final opportunity to ensure that the goals of SB 884 will be met by its implementation.

TURN highlights the Opening Comments served by both Mussey Grade Road Alliance (MGRA) and the Commission's Public Advocates Office (Cal Advocates). Each of these sets of comments highlighted the principles parties had previously proposed to guide Energy Safety and CPUC implementation of SB 884. In particular, TURN highlights and endorses the detailed comments provided by Cal Advocates.

1. Consistent with SB 884, Energy Safety Should Require Utilities to Demonstrate that Each Proposed Undergrounding Project Is the Most Cost-Effective Alternative.

Consistent with the principles laid out by Cal Advocates, MGRA and TURN, TURN recommends that Energy Safety only approve a plan if the utility has shown that undergrounding is the most cost-effective solution for a given location. The CBR is a vetted, understood tool for measuring cost-effectiveness and should be relied on to compare alternatives and prioritize work. Despite utility suggestions otherwise,² the CBR considers the full range of benefits from a mitigation at the location in question, including any reliability and public safety benefits, making the CBR the appropriate measure to

¹ TURN Comments to the CPUC on Draft Resolution SPD-15, Dec. 28, 2023, pp. 12-13; TURN Opening Comments on Energy Safety Electrical Undergrounding Plans (Docket #2023-UPs) Request for Comments on Development of Guidelines for the 10-Year Electrical Undergrounding Distribution Infrastructure Plan (Undergrounding Plan), January 8, 2024, p. 1.

² SCE Opening Comments, p. 3. SCE suggests that the CBR does not include characteristics like limited egress. PG&E Opening Comments, p. 4: "Accordingly, PG&E supports project selection and prioritization in an Undergrounding Plan that addresses reliability risk, public safety, in addition to wildfire risk and cost efficiency." A properly designed and calculated CBR could and should incorporate this information.

determine if the benefits of a project justify its costs. Moreover, the CBR is based on utility inputs and data and represents the best comprehensive assessment of the cost-effectiveness of a mitigation.

Reliance on the CBR fulfills SB 884’s requirement to ensure that undergrounding is deployed only where it is more cost-effective than the alternatives. Section 8388.5(c)(4) requires utilities to provide in their submissions to Energy Safety “a comparison of undergrounding versus aboveground hardening of electrical infrastructure for achieving comparable risk reduction, or any other alternative mitigation strategy.” In that comparison, the utility must evaluate “the scope, cost, extent, and risk reduction of each activity” over the duration of the plan, emphasizing risk and reduction and the cost of each activity for reducing wildfire risk . . .” As noted, the CBR, when properly calculated, captures the full array of risk reduction benefits over the lifetime of the mitigation and compares them to the cost to provide a highly useful measure of cost-effectiveness. These values can be compared for the competing mitigation alternatives to ensure that finite ratepayers funds are being directed where they will provide the most risk reduction benefit.

The utilities’ fundamental objection is to the notion of cost-effectiveness as an appropriate measure for determining the best use of ratepayer funds. Their objection should not be given weight here, where the Legislature has recognized that overhead hardening, particularly when it can be coupled with supplemental mitigations such as rapid earth fault current limiter devices, provides a reasonable alternative to undergrounding. Moreover, TURN rejects the utility suggestion that CBR values do not comprehensively account for all relevant benefits and costs of system hardening alternatives. The utilities have not shown that the “additional considerations” they claim must be considered cannot be modeled in the CBR calculation.

Energy Safety should, consistent with the language of SB 884, require that the utility plan relies on undergrounding only where it is the most cost-effective alternative with work completed at highest risk locations first. Guaranteeing these two goals are met helps ensure that the undergrounding plan will provide benefits commensurate with costs and represents the best use of finite ratepayer funds for system hardening work.

2. TURN response to implementation details proposed by the utility comments.

Issue	TURN Recommendation
Alternatives analysis should be limited to only those alternatives that have not been identified as infeasible or unreasonable. ³	This is a reasonable limitation on alternative analysis if Energy Safety or CPUC has made the determination that an alternative is infeasible or unreasonable. It is not sufficient that this determination be made by the utility. Further, it should not be sufficient that such language was included in an approved Wildfire Mitigation Plan- it must be an affirmative statement by a regulating agency.
The guidelines’ process for changes to an approved SB 884 plans. ⁴	The Cal Advocates comments provide helpful guidance for changes to approved plans. Additional, Draft Resolution SPD-

³ SDG&E Opening Comments, p. 2.

⁴ SCE Opening Comments, p. 3; PG&E Opening Comments, p. 6.

	15 suggests that additional guidance on this issue will be forthcoming. ⁵ TURN supports Energy Safety working with the CPUC to gather feedback and establish requirements for changes to the plans.
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3. Conclusion

TURN appreciates the opportunity to provide these comments in addition to earlier comments and participation in the working group. Energy Safety should adopt the principles identified by TURN and aligned intervenors to ensure the utility plans cost effectively and strategically deploy undergrounding consistent with just and reasonable rates.

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⁵ Draft SPD-15, Attachment 1, p. 13.