TURN
THE UTILITY REFORM NETWORK
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Northern California
360 Grand Avenue, #150
Oakland, CA 94610
415 929-8876 • www.turn.org

Southern California
1620 Fifth Avenue, Suite 810
San Diego, CA 92101
619 398-3680 • www.turn.org

Comments of The Utility Reform Network on Draft 10-Year Electrical Undergrounding Plans Guidelines (Docket #2023-UPs)

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 of an Electric Undergrounding Plan (EUP) by any utility that would like to participate in the program to the Office of Energy Infrastructure Safety (Energy Safety). Once the plan is approved by Energy Safety, the utility will submit the plan to the CPUC for review of the costs of the projects included in the plan. The CPUC adopted SPD-15 outlining its implementation of SB-884 and Energy Safety has released the Draft Guidelines for their review of the plans. TURN offers these comments on the draft plan including proposals to enhance the ability of stakeholders to offer feedback and create efficiencies between the Energy Safety and CPUC review.

1. Draft Guidelines Introduction

Energy Safety proposes that any EUP submitted by a utility include a "mitigation portfolio objective."[1] The mitigation portfolio objective must reflect both 1) a substantial improvement in reliability and 2) substantial wildfire risk reduction.[2] The portfolio mitigation objective identified by the utility must be accompanied by a narrative that justifies the objective identified by the utility.[3]

The utility must also demonstrate that it has a process to identify the projects that will help it to fulfill its objective.[4] Energy Safety directs the utility to implement a four screen process to identify the projects that will be deployed pursuant to the plan:

- Screen 1 identifies all eligible projects- meaning all projects in wildfire rebuild areas or Tier 2 or 3 High Fire Threat Districts. The information included for each segment for Screen 1 includes the overall utility risk score, the ignition risk consequence score and the outage program reliability score.[5] The utility will identify the risk score required to make a project eligible to be included in the EUP.[6]
- Screen 2 provide project analysis and alternatives analysis using CPUC approved Cost Benefit Ratios (CBRs) for all circuit segments included in the EUP.[7]
- Screen 3 evaluates the projects to be undergrounded relying on a variety of models considering the potential wildfire risk reduction and reliability improvement.[8]

[1] Draft Guidelines, p. 3.
[2] *Id*.
[3] *Id*.
[4] Draft Guidelines, pp. 3-4.
[5] Draft Guidelines, p. 6.
[6] *Id*.
[7] Draft Guidelines, p. 7
[8] Draft Guidelines, pp. 8-9.

- Screen 4 prioritizes the projects to be completed based on statutory requirements.[9]

A EUP will be considered approved once the utility demonstrates that it has completed the first two screens and shown at least 25 projects have passed through Screens 3 and 4.

The utility will then submit progress reports every six months including identified data points.[10]

2. The Draft Guidelines Provide Stakeholders Insufficient Time for Review and Comment on Electrical Undergrounding Plans and No Opportunity to Comment on Significant Changes to the Projects Included in the Plan

A chief concern for TURN is that the Draft Guidelines provide the public a very limited opportunity for review and comment on a EUP. The Draft Guidelines provide that public comment "must be submitted to the corresponding docket no later than 30 days after the date on which the large electrical corporation submitted its complete EUP."[11] Further, the utility has an opportunity to modify the projects included in the plan and the models used to determine changes to the plan with no opportunity for stakeholders to review and comments on the changes. Not only does the public require additional time to comment during the initial 9-month plan review, but it should be able to comment when there are material changes to the list of projects included in the plan.

TURN respectfully requests that interested public stakeholders have at least 90 days and ideally 120 days to review EUP and provide comments.

Given the potential length and volume of information and limitations on intervenor resources 30 days is insufficient for review and comment on the EUP. Further, with the requirements for the step of becoming a "Data Request Stakeholder" taking up to 15 days,[12] a stakeholder could only have 15 days to complete discovery and draft comments on the plan which is, by design, data driven. This is insufficient time and opportunity to provide meaningful feedback for a EUP which will have an impact on utility risk mitigation and spending for a decade.

As discussed in part below, the Draft Guidelines leave certain implementation details to be driven by the IOUs. For example, the IOUs set the thresholds for a circuit segment to be considered a tail-risk circuit or a high-risk circuit and importantly the utility defines substantial risk reduction. The process to determine if these circuits and requirements are adequately targeted will require a deep dive into system wide risk. This is not an easy task and 30 days is not long enough to complete the required tasks.

Intervenor resources are scarce and depending on the timing of plan submission could be required for not just review of the EUP but also WMP and potential case work at the CPUC. Further, some intervenors may be required to contract with outside consultants to complete their review. In these instances, stakeholders may not be able to provide the review of EUP their sole focus during the thirty days that happen to follow the submission

[9] Draft Guidelines, p. 9.
[10] Draft Guidelines, p. 68.
[11] Draft Guidelines, p. 57.
[12] Draft Guidelines, p. 60. Parties must file to become a designated stakeholder within 10 days and the status will be deemed granted five days after the request is made.

of the EUP. Granting more time for potential review of the EUP assures that all stakeholders have the ability and the flexibility required to manage their resources.

SPD-15 requires that parties have "at least 30 days" to provide comments on the plan once it has been submitted to the CPUC.[13] The shorter period of time provided for under SPD-15 does not justify the 30-day limit in the Draft Guidelines. First, the 30 days included in SPD-15 is a floor not a ceiling. EUPs will be submitted to the Commission as an application, which means that there will be a prehearing conference and an opportunity for parties to provide comments on the time needed for comment. Presumably, parties will have the opportunity to request more time as required based on the volume of information included in the plan submitted to the Commission.

Second, even if the Commission process was limited to 30 days, parties would have had the benefit of reviewing the information during the pendency of Energy Safety's review of the plan. In essence, that review period would be longer because the plan would have been under consideration at the EUP and because the Draft Guidelines explicitly require that the utility provide the information required by the CPUC a shorter review period would be acceptable at the CPUC. Parties at Energy Safety, however, would not have the opportunity for this longer review because the information would not have been previously available. Even if, for the sake of argument, a 30-day period is reasonable at the CPUC it is not at Energy Safety.

Extending the time for stakeholders to review and comment should not impact the ability of Energy Safety to consider and decide on the EUP. Energy Safety can be conducting its own review parallel to public consideration. If anything, because of the additional time for the public to review the EUP, comments received will be more thoughtful and complete. More thoughtful feedback should be preferred over speedy feedback. The Draft Guidelines should be updated to provide additional time for public comment.

Second, a plan is considered approved after all projects have passed through the first two screens and then at least 25 projects have passed through screens 3 and 4. The public can comment during the original approval process. Once a plan is approved, however, the Draft Guidelines would allow the utility to submit major updates to models that will change the projects to be undergrounded without an opportunity for public comment. Given that the costs of these projects will be passed along to the public there should be an opportunity to give feedback on material changes to the program. For purposes of providing an opportunity to comments TURN proposes that a change to at least 20% of the circuits included in the broader plan be considered "material" with the public provided ten to fifteen days for comment on the changes to the plan.

3. Energy Safety Should Ensure That Only Cost-effective Mitigations are Moving Past Screen 2.

As described, it seems as though many more circuits than the utility may choose to underground or merit undergrounding may be included in the EUP approved by Draft Guidelines. TURN is particularly concerned that Draft Guidelines do not make it sufficiently clear that the EUP should exclude projects where alternatives, in particular insulated conductor especially in combination with advanced protections, represents a more cost-effective alternative to undergrounding in Screen 2.

[13] SPD-15, Attachment 1, p. 10.

Section 8388.5(c)(4) requires the utility to submit to Energy Safety a plan that includes:

> A comparison of undergrounding versus aboveground hardening of electrical infrastructure and wildfire mitigation for achieving comparable risk reduction, or any other alternative mitigation strategy, such as covered conductor and rapid earth fault current limiter devices, for those prioritized undergrounding projects, evaluating the scope, cost, extent, and risk reduction of each activity, separately and collectively, over the duration of the plan. The comparison shall emphasize risk reduction and include an analysis of the cost of each activity for reducing wildfire risk, separately and collectively, over the duration of the plan.[14]

This comparison is key to the Commission review for "substantial improvements in safety risk and reduction in costs compared to other hardening and risk mitigation measures."[15] In other words, the outcome of the CPUC process is that the utility will not be pursuing undergrounding unless provides "substantial" benefits over the alternatives.

Despite requiring the utility to provide CBR information in Screen 2, Draft Guidelines include no clear requirement to exclude a circuit when there is a more effective mitigation solution. As a result, the CPUC will potentially be presented with potential circuits where undergrounding should not be considered because there is a more cost-effective alternative. Unless Screen 2 is expanded to exclude projects when alternatives are more effective than undergrounding the screening could ultimately lead to administrative inefficiencies.

4. Energy Safety Should Require a Utility to Include All Practicable Alternatives and their Cost Efficiencies in Screen 3.

In addition to the Screen 2 concerns highlighted above, the alternatives analysis to be completed by Energy Safety as part of Screen 3 is insufficient to ensure undergrounding is the best alternative. Screen 3 Risk Modeling must reflect certain core capabilities including "Comparisons with Alternative Mitigation Strategies."[16] Energy Safety directs that the utility must evaluate all reasonable combinations" but then also requires at least "two alternative mitigations."[17] TURN recommends that the language be clarified to strike the language suggesting two alternatives, and instead clarify its direction that all mitigation alternatives, and permutations of alternatives be provided in Screen 3.

Further, TURN recommends that the Draft Guidelines here be substantially enhanced to ensure that the utility presents accurate and practicable alternatives. In particular, the Draft Guidelines should specify that the utility present risk mitigation of insulated conductor (including potential advanced protections) for all proposed undergrounding projects. The potential risk reduction of these alternatives should be presented on the same time horizons as the utility.

Finally, TURN notes that there is no consideration of cost efficiencies in Screen 3, in particular, cost-effectiveness is left out of the list of proposed Key Decision Making

[14] Cal. Pub. Util. Code Sec. 8388.5(c)(4)
[15] Cal. Pub. Util. Code Sec. 8388.5 (e)(1)(A)
[16] Draft Guidelines, p. 23.
[17] Draft Guidelines, p. 24.

Metrics.[18] While it is true that the statute directs that the Energy Safety approval is based on risk reduction, throughout the rest of the statute the Legislature repeatedly highlights the role of cost-effectiveness in the review of programs in an Undergrounding Plan including highlighting the role of cost-efficiency in prioritization[19] which Energy Safety directs will occur in Screen 4. If this is a metric to be considered in when a project is deployed, it should similarly be considered in whether a project should be completed at all.

5. Conclusion

TURN appreciates the opportunity to provide these comments in addition to their earlier comments and participation in the working group. Energy Safety should adjust the Draft Guidelines as outlined in these comments.

Prepared by:

Katy Morsony, TURN, Legislative and Assistant Managing Attorney

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[18] Draft Guidelines, p. 19.

[19] Cal. Pub. Util. Code Sec. 8388.5(c)(2)